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Capital Budgeting and Infrastructure in American Cities: An Initial Assessment

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Based on
A Joint Survey Conducted by the
National League of Cities and the United States Conference of Mayors

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United States
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PREFACE

This survey was undertaken by the National League of Cities and the United States Conference of Mayors to provide a reliable base of information on the capital budgeting practices and infrastructure needs of local governments around the country.

An unprecedented amount of information is analyzed in this report. Even so, it represents only an initial assessment of a pool of information which deserves considerable further research.

While this additional research is important and should be undertaken, we offer this initial assessment in the hope that some action can be taken now. Both the U.S. Conference of Mayors and the National League of Cities are committed to working with the Administration, the Congress, and other groups to fashion responsible and responsive national policies which will enable us to do what so clearly must be done.

This report would not have been possible without the help of many people. We want to thank especially George Karras; Dan Melnick of the Congressional Research Service; Hillel Sukenik of the House Information Service; Tom Cochran, now with Lehman Brothers, Kuhn, Loeb Investment Bankers in New York; and Janie Marinkovic of the Bureau of Social Science Research. Also, we want to express our appreciation to Deborah Johnson, Calathia Taylor, Kay Scrimger, Carol Edwards, Mariadele Priest, and Tom Wren for their contributions to this survey. William R. Barnes, Senior Policy Analyst, NLC, and Barry Zigas, Assistant Executive Director, USCM, shared the task of supervising the conception, analysis, and production of this landmark work.

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EXECUTIVE SUMMARY

The term "infrastructure" refers to the many different types of facilities that are the physical foundation on which our society and economy rest. These include streets, water pipes, sewer lines, wharves, wastewater treatment plants, and innumerable other crucial facilities.

Responsibility for the construction, maintenance, and operation of the nation's infrastructure is divided among levels of government. The federal government plays a major role, for example, in the interstate highway system. States build and maintain countless miles of roads. Counties, cities, and special authorities each control a variety of facilities.

Of this vast and complicated network, this study reports only on certain capital facilities which are the responsibility of municipal governments. It also reports on how cities carry out that responsibility.

The Joint Survey on Capital Budgeting and Infrastructure, conducted by the National League of Cities and the U.S. Conference of Mayors, is one of the most comprehensive studies of local government capital investment practices and priorities ever undertaken.

A total of 1,400 city governments were surveyed during December 1982 - February 1983. A total of 809 responses were received by March 1 and analyzed for this report. These 809 responses are one of the largest pools of information ever collected on this subject. Responses were received from cities in every region and every population category.

This report analyzes responses from 809 cities. We believe that this is a representative group. Strictly speaking, definitive statements from the data can only be made about the cities that responded to the survey.

This report is deliberately titled an "Initial Assessment." Several dozen communities returned survey questionnaires after data runs had begun. These additional responses can be included in later analyses. Moreover, the analyses done for this report themselves suggest further work which could be done.

The information gathered by this survey is significant--and, indeed, we believe unprecedented--and deserves considerable further research.

A sweeping picture of local infrastructure needs emerges from the survey. The survey presents several major findings which must affect any consideration of the next decade's approach to public capital investment.

HIGHLIGHTS OF THE REPORT

- Infrastructure is a national issue.

  Whether it is Wheeling, West Virginia, struggling with inadequate roads, or Albuquerque, New Mexico, grappling with $70 million worth of mandated wastewater treatment upgrading, many of America's communities face substantial backlogs of needed repair work. The survey shows that there are significant differences by region, population size, and city type in capital investment needs. No region, population size category, or type of city, however, is free of pressing infrastructure problems.

- Investment in infrastructure means jobs in the private sector.

  Cities responding to the survey indicated by an overwhelming margin that work on their priority infrastructure needs would be undertaken through contracts with private firms, rather than by city employees alone. This finding should end any charges that urban infrastructure funding would mean massive patronage and public hiring or distortions in the balance between public and private employment.

- Cities' infrastructure needs vary widely.

  The priorities chosen by respondents to this survey tend to cluster in a relatively few general categories: streets and roads, wastewater treatment, stormwater collection, and sewers. But there are significant differences among the respondents in terms of priorities and in terms of the condition of specific types of public facilities. This strongly supports the view that any national effort in this area should rely primarily on local planning and local priorities, within broad national purposes.

- Infrastructure needs are great, but we need not be paralyzed by their magnitude.

  This survey shows that, overall, the cost of meeting high priority public facility needs in the nation's cities is relatively modest. This is a critical finding. This survey did not attempt to produce a total cost estimate--a "bottom line"--for all infrastructure needs in America's cities. Such estimates produced by others have run into the trillions of dollars. These are daunting figures, almost paralyzing in their immensity. But this survey shows that a steady but manageable investment over a number of years could and would enable communities to start work on the capital assets ranked as highest priorities by the respondents.

  There is no short-term, inexpensive, or easy solution to America's urban infrastructure problems. But there can be a solution, and it can be managed.

- Cities vary greatly in their ability to finance infrastructure needs, and there are clearly needs for federal and state assistance to meet these needs.

  The survey shows clearly that the responding cities can and do manage the financing of significant parts of their infrastructure needs locally, through taxes, the issuance of debt, and other financing methods. The survey also shows, however, that there are needs which are not being met and could not be met from these sources alone. Cities' abilities to finance their needs vary widely by region, population size, and city type. But cities in each category cited some need for state and federal assistance for some infrastructure needs.

- Economic development plays a significant role in local capital budgeting and planning.

  National economic recovery and development require basically sound local infrastructure. This survey shows that respondents have grasped this fact and that it plays a role in shaping the local budget planning process, as well as in selecting priorities.

  When asked to cite the reason for choosing priorities for public facilities work, the respondents cited protection of public health and safety and provision of essential services most frequently. This reflects the fact that local governments are still the providers of essential services and protectors of public health and safety first and foremost.

But the third most frequently cited reason for choosing a priority was economic development, by a wide margin. Moreover, very large numbers of respondents reported that economic development is taken into consideration when planning their capital budgets.

- o Cities carry out their infrastructure responsibilities in an orderly way.

  Nearly all the respondents to this survey said that they use a formal process for assessing their infrastructure needs and developing plans to meet them over time. Moreover, the respondents said that these processes involve both the legislative and executive branches of local government most of the time. Most said that public involvement is an integral part of the process.

SUMMARY OF THE REPORT

CAPITAL BUDGETING

Over 90 percent of the 809 respondents reported that they either have a capital budgeting process or a substitute which accomplishes the same purpose. In other words, cities make their decisions about capital investment needs through an orderly process. Nearly all these capital budgets are approved by city councils, and 88 percent of the respondents said these budgets cover all city departments. The survey reveals widespread use of a variety of mechanisms to solicit public comment on capital budgets. Almost 84 percent of the respondents use public hearings, and significant percentages use other techniques as well, such as special or general purpose advisory boards.

Over half of the respondents said their capital budgets cover five or more years. About one-third cover only a year, with a high percentage of these clustering in cities with small populations.

In formulating their capital budgets, 60 percent of the respondents said that economic development is an important consideration.

FINANCING PATTERNS

Respondents were asked whether or not each of four categories of capital improvement work was included in their capital budgets. The categories and frequencies with which

respondents said each is included are summarized below:

Preventive Maintenance	43.4 percent
Major Maintenance	76.8 percent
Rehabilitation/Reconstruction	92.0 percent
Expansion/New Construction	94.7 percent

Respondents indicated that they rely on different financing mechanisms for each of these different categories of infrastructure work. While most respondents cite local taxes as the primary funding source for preventive maintenance, the use of this source declines steadily in each successive category of work.

Conversely, the reliance on debt, primarily through general obligation bonds, is cited more frequently in each successive category as the major funding source by respondents. A somewhat similar pattern emerges with regard to use of federal funds as the primary source.

Nearly half of the respondents reported that state restrictions on general obligation debt at least somewhat adversely affect their capital budget efforts.

The majority of respondents reported that projects financed with debt have projected useful lives of 11 years or more, with 43 percent indicating "more than 20 years".

Taken together, these responses show that responding cities make an important distinction in their capital budgeting: local taxes are used primarily to finance maintenance, and debt is primarily used to finance rehabilitation, expansion, and new construction.

IMPROVING THE PROCESS

A large majority of the respondents indicated that they view the local capital budgeting process as effective with regard to a broad array of criteria. At the same time, the respondents indicated that their processes could be improved, and such areas suggested by the survey as needs assessment, analysis of financing options, and development of priorities received high responses as areas worth improving. Respondents felt that all levels of government had a role in financing improvements to the local process, with 85 percent citing a local responsibility, 65 percent a state responsibility, and 52 percent a federal responsibility.

CONDITION OF PUBLIC FACILITIES

The survey asked respondents to characterize the physical condition of 19 types of public facilities. Respondents could choose one of six characterizations--ranging from "in good condition" through various levels of needed work to "does not apply to this city"--for each of the 19 facility types. All of these results could be cross-tabulated by region, population size and city type, generating a very large data base.

The information generated by this question is extremely rich. It is impossible to characterize the findings adequately in a short summary. However, some major points should be noted.

First, with regard to six of the nineteen facility types, a majority of the respondents said these facilities in their cities are "in good condition". These facility types are:

o Community social service facilities	58.8 percent said "in good condition"
o Parks and Recreational facilities, open space	55.7 percent
o Water Storage	54.8 percent
o Public building	54.4 percent
o Water treatment	50.6 percent
o Traffic control equipment	50.3 percent

Second, for ten of the nineteen facility types, at least 30 percent of the respondents said that those facilities in their cities require major repair, major rehabilitation, or replacement. There is some overlap between the first and second group, indicating the varieties of local situations:

o Streets and roads	70.4 percent said "major work needed"
o Sidewalks and curbs	69.9 percent
o Storm water collection and drainage	67.4 percent
o Sewage collection	49.8 percent
o Bridges, overpasses and viaducts	44.9 percent
o Public buildings	42.9 percent
o Traffic control equipment	39.0 percent
o Parks, recreation facilities, open space	35.0 percent
o Wastewater treatment	34.7 percent
o Water distribution	31.3 percent

Finally, in six of the facility types, at least 25 percent of the respondents reported that the facility types "did not apply to this city:"

o Docks, wharves, and ports	77.9 percent said "it didn't apply"
o Public transportation facilities	64.3 percent
o Public transportation rolling stock	63.0 percent
o Public school buildings	56.9 percent
o Solid waste disposal facilities and resource recovery facilities	40.8 percent
o Water treatment	27.0 percent

The overlap among categories and the variety of responses among different types of responding cities underlines the major overriding finding of this survey: local infrastructure needs and priorities vary widely among cities.

The survey did not seek information on the need for expansion of existing facilities, a significant factor for many communities regardless of the condition of existing facilities.

ABILITY TO FINANCE CAPITAL PROJECTS

The survey asked respondents to characterize their ability to finance necessary work on each of the nineteen types of public facilities. For each of the nineteen facility types, respondents could choose one of six possible responses--ranging from "possible to finance out of own resources as a matter of course" through varying degrees of need for assistance from state or federal governments to "not in the municipal budget". In addition, all of these results could be cross-tabulated by region, population size and city type, generating another very large data base.

The information generated by this question is also extremely rich. It is impossible to characterize the findings adequately in a short summary. However, some major points should be noted.

First, in five of these facility types, a majority of the respondents said they could finance necessary work out of their own resources either as a matter of course or with difficulty:

Public building	67.8 percent said "could finance from own resources"
Sidewalks and curbs	63.3 percent
Water distribution	57.8 percent
Water storage	53.4 percent
Traffic control equipment	50.3 percent

However, in eight of the facility types at least 30 percent of the respondents said that they required some degree of state or federal aid to finance the necessary work. There is some overlap between the first and second groups, thus indicating the differences in local situations.

Streets and roads	62.0 percent said "aid needed"
Wastewater treatment	54.5 percent
Bridges, overpasses, viaducts	54.4 percent
Parks, recreational facilities, open space	49.2 percent
Stormwater collection and drainage	48.3 percent
Sewage collection	44.1 percent
Traffic control equipment	38.6 percent
Sidewalks and curbs	31.4 percent

Finally, in six of the facility types, at least 25 percent of the respondents reported that the facility type is "not in the municipal budget". These facility types are:

o Public hospitals and clinics	60.8 percent said "not in budget"
o Docks, wharves and ports	57.7 percent
o Public school buildings	53.8 percent
o Public transportation facilities	50.1 percent
o Public transportation rolling stock	48.9 percent
o Solid waste disposal facilities and resource recovery facilities	29.2 percent

The overlap among categories and the variety of responses among different types of responding cities underlines another major, overriding finding of this survey: the ability to finance necessary infrastructure work varies widely among cities.

CAPITAL FACILITY PRIORITIES

Respondents were asked to choose, from among the nineteen facility types, the three that were the highest priorities for capital expenditures in their communities. Priorities vary among different types of cities, but when these three top priorities for all responding cities are combined (without weighting for first, second, or third places), streets and roads is definitely the priority most often selected. The six facility types most frequently selected as priorities by respondents are as follows. (The "count" is the number of times that facility type was selected as a first, second, or third priority.)

Facility Type	Count
Streets and Roads	518
Stormwater Collection	309
Wastewater Treatment	228
Sewage Collection	216
Public Buildings	197
Water Distribution	152

The other facility types have "counts" of 106 or less.

Identification of these priorities is a major finding of the survey, but these results must be viewed in the context of other major findings that emphasize the variation among cities in the ability to finance and the condition of public capital facilities.

COST RANGES FOR THE PRIORITIES

Respondents were asked to choose the most appropriate cost range for their first, second, and third priorities. When the responses to all the ranges cited for all the priorities are added together without any weighting for rank order of the priorities, it becomes clear that the "$1.0 million to $5.0 million" range is by far the most frequent choice":

Cost Range	Count
Under $0.5 million	291
$0.5 million to $1.0 million	380
$1.0 million to $5 million	728
$5.0 million to $10.0 million	78
$10 million to $20 million	268
$20 million to $50 million	180
$50 million and over	150

This information does not permit any analysis of a total "bottom line" figure for urban infrastructure needs. The report does not provide one, and readers should not try to construct one.

The responses to this question do show that, among the respondents to this survey, the most prevalent cost range for self-selected priority infrastructure projects is between $1 million and $5 million. This is an important finding in its own right. It shows that relatively small, incremental amounts of assistance, whether provided by the cities themselves from their own resources or from other levels of government, could significantly improve the condition of priority infrastructure needs.

Also, the wide variety of responses among all the possible cost ranges provided leads to another major finding of the survey: the range of costs among cities for undertaking necessary work on priority infrastructure needs varies widely among the responding cities.

WHY THESE PRIORITIES?

Respondents were asked to choose one of seven possible reasons for selection each of the priorities. When all the responses for each of the priorities chosen by the respondents are accumulated without weighting among the priorities, a clear and interesting pattern emerges.

Reason	Count
Public Health	826
Residential Services	722
Economic Development	291
Other	122
Federal Requirement	89
State Requirement	59
Private Jobs	30

Without question, protecting the public health and providing residential services are the overwhelmingly most common reasons among the respondents for making priority choices. This reflects the continuing, central role local governments play in meeting these needs for residents.

However, the high count for economic development is an interesting finding. While significantly lower than either of the top two reasons chosen by respondents, it also is significantly higher than any of the other remaining possible choices. This finding bears further analysis, but it suggests that local governments do make a clear connection between the need to maintain and provide adequate infrastructure through public investment and the likelihood of economic development--jobs, tax base, income--in the private sector. This is a major finding for those concerned with the role of public investment and economic health.

WHEN COULD WORK ON PRIORITIES BE STARTED?

The survey asked how long it would take to begin work on the priority projects if sufficient funds were available to finance the work. When all the responses are accumulated without weighting, it is clear that the vast majority of the respondents projected start up times for these priorities of under six months.

Start Time	Count
Under 3 months	799
4 to 6 months	833
7 to 12 months	549
over 1 year	152
not sure	30

WHO WOULD DO THE WORK?

A major question which always arises when public works spending is discussed is who would do the actual work: public employees or private sector workers under contracts?

The survey asked cities to indicate how they would undertake their priority projects--through city employees, through contracting out the work, or through some combination of the two.

When respondents' answers are totaled without weighting among the priorities, the unequivocal answer is that cities would contract out the work in the vast majority of the cases.

Job Sector	Count
Contract out	1576
Combination	750
City employees	52

This is a major finding. It shows conclusively that investment in local infrastructure work translates directly to jobs in the private sector.

I. METHODOLOGY

NLC and USCM sent the Capital Budgeting and Infrastructure Survey questionnaire to 1,400 cities in late December, 1982. The questionnaires were sent to all municipalities with populations of over 30,000 (about 850), as well as municipalities below 30,000 that are members of NLC. (NLC's members include cities of any size, both large and small. USCM membership is open only to cities with populations of 30,000 or more.)

The surveys were sent to the Mayor or, where appropriate, to the City Manager. The questionnaires were accompanied by a letter from the Executive Directors of NLC and USCM explaining the purpose of the survey and urging its prompt return. Each survey form included a self-addressed return envelope for the completed survey form.

During January and February, 1983, several steps were taken to increase the response rate. A follow-up post card was sent in late January to all Mayors from whose cities surveys had not been received. A memorandum was sent to all members of the National Community Development Association, an affiliated organization of NLC and USCM, notifying them of the survey's mailing and requesting their assistance in ensuring its prompt return.

In January, Rep. James L. Oberstar and Rep. William Clinger, Chairman and Ranking Minority Member, respectively, of the Subcommittee on Economic Development in the House of Representatives wrote to all those who had been sent a survey, taking note of the effort and urging prompt response.

In February, 107 cities were sent Mailgrams to urge the return of the questionnaires. These Mailgrams were targeted to major cities in each state from whom responses had not yet been received.

Finally, a few cities were contacted directly by telephone and urged to return the questionnaires.

By March 1, 1983, surveys had been returned by 809 cities. The regional, population, and city type distribution of these 809 cities is displayed in the Tables I-1 through I-3. This information was gathered from responses to questions in the questionnaire. The categories used in Tables I-1 through I-3 are the basis for cross-tabulations of the survey data which are discussed throughout the report.

Table I-1

RESPONDENTS BY POPULATION CATEGORIES

	Number	Percent
Less Than 10,000	99	12.2%
10,001-24,999	171	21.1%
25,000-49,999	232	28.7%
50,000-99,999	171	21.1%
100,000-499,999	109	13.5%
Over 500,000	21	2.6%
Not Answered	6	0.7%

Table I-2

RESPONDENTS BY CITY TYPE

	Number	Percent
Central City	294	36.3%
Suburb	287	35.5%
Non-Metropolitan	212	26.2%
Not Sure	9	1.1%
Not Answered	7	0.9%

Table I-3

RESPONDENTS BY REGION*

	Number	Percent
Northeast	111	13.7%
Northcentral	243	30.0%
South	273	33.7%
West	175	21.6%
Miscoded	7	1.0%

Additional surveys have been received since March 1, but these are not included here. They can be included in further analyses of the data.

The 809 questionnaires were answered by appointed city government officials (357 or 44.1%), by persons who described themselves as "other municipal officials" (202 or 25.0%), by mayors (133 or 16.4%), and, in smaller numbers, by other types of city government personnel, according to the responses to a survey question on this subject.

*Census definitions.

The survey questions and an aggregation of the answers given by the 809 respondents are displayed in the Appendix to this report.

This is a very rich set of data that can be used in various ways. For this initial analysis, cross-tabulations of all answers were done by population size, regional location, and type of city.

The reader will note that, in the text, the number of answers to a given question may not add to 809 or to 100 percent. This results from rounding percentages and, occassionally, from not reporting categories of data such as "no response" or "miscoded" when this information was not considered relevent.

Several caveats are important for the reader to keep in mind.

First, this is a survey about city (municipal) infrastructure and capital budgeting. The questionnaire was not sent to special districts and authorities, or to counties, and it did not ask city officials to comment on facilities that are beyond their purview (although they may be physically within the city boundaries).

Second, while many of the survey questions sought factual information, others required subjective judgments. In all cases, however, the people who answered these questions are knowledgeable with their cities and the subject of this survey.

Third, the data allow for statements to be made about the cities that responded to the survey (e.g., 74.8 percent of responding cities have capital budgets), but they do not allow for statements regarding the cities that did not respond or were not surveyed, or regarding all cities (e.g., 74.8 percent of all cities have capital budgets). Although the response rate and the number of responses (809) makes this data very strong, we urge readers to be careful in extrapolating beyond its inherent limitations.

II. CAPITAL BUDGETING

DO CITIES HAVE CAPITAL BUDGETS?

The survey first asked local officials to answer questions regarding the methods by which planning and budgeting for capital expenditures are carried out in their cities or towns. The survey instrument defined capital budgeting as a ". . . process for determining what projects your city needs to build or repair, where the work should be done and the best approach to financing the construction." The results suggest that capital budgeting is very widespread at the local level with 605 (74.8 percent) of the 809 total respondents saying that they did have such a process. Of the 186 respondents who said they did not have a capital budgeting process, 152 (83.5 percent) stated that they do have some other substitute process for planning capital expenditures. The survey did not request an explanation about the nature of these substitute processes.

Taken together, these data demonstrate that all but a very few of the cities surveyed have some organized method for planning capital projects. Respondents in smaller cities more often said their cities lack a capital budgeting process: 39.3 percent of those cities surveyed with less than 10,000 residents did not have a capital budgeting process, while only 10 percent of responding cities with populations of 100,000 to 500,000 and no cities of over 500,000 failed to have such a process. Respondents from smaller cities said they have a capital planning process substituting for more formal budgeting processes more often than did larger cities.

Regional location and city type appear to be unimportant variables in this area.

WHO IS RESPONSIBLE FOR LOCAL CAPITAL BUDGETING?

Two further questions concerned the locus of responsibility for reviewing and approving capital budgets. According to those surveyed, mayors are responsible for final approval of the capital budget in about one fifth of responding cities and city managers are responsible for final approval in only 2 percent of responding cities. City councils have the final approval power in 90 percent of the cities surveyed and commissions do in only a few of responding cities. Responses to this question suggest that the executive (mayor or city manager) may propose but the legislative (city council) or a commission disposes.

As the percentages suggest, there is a significant amount of overlap in final approval power. This seems to imply that this power is actually shared in a number of cities, with both executive and legislative branches taking joint responsibility for the final capital budget. Population size, city type,and regional location of those surveyed all seem to have no association with the locus of final approval power over the capital budget.

A variety of techniques are used to involve citizens in the local capital budgeting and planning process. These methods include public hearings (83.6 percent of respondents said their city uses this method), public notice and comment (58.3 percent), general advisory groups (29.8 percent), and special advisory groups (33.7 percent).

The relatively high rates cited for each of the techniques for public involvement suggest that many cities are using two or more methods for involving the public in capital budgeting and planning processes. Responding cities use techniques for involving the public in capital budgeting fairly uniformly across regions, population sizes, and city types. However, according to the respondents, cities above 50,000 population more frequently use special purpose advisory groups than cities under 50,000.

THE COVERAGE OF LOCAL CAPITAL BUDGETING

A third group of questions elicited more detailed information about the nature of local capital planning and budgeting processes.

When asked whether the capital budgeting process covers the activities of all city departments, the overwhelming majority -- 714 or 88.3 percent -- answered "yes." There were no notable variations in responses with respect to region, population size, or city type.

Another question dealt with the time periods covered by city capital budgets. The two most common, according to the respondents, are one year and five years. A majority of respondents' budgets cover periods of five years and over, as the following table demonstrates.

Table II-1

Time Period of Capital Budgets

	One Year Only	Two Years	Three Years	Four Years	Five Years and Over
Frequency	271	25	53	18	422
Percentage	33.5%	3.1%	6.6%	2.2%	52.2%

Only 23.2 percent of responding cities with less than 10,000 population report covering five years or more in their capital budgets, while 67.8 percent of responding cities of 100,000 or more and 71.4% of responding cities of 500,000 or more report covering five years or more. (See Table II-2.) Regional location makes little difference with respect to the length of coverage when population is controlled. Fifty-seven percent of central city respondents and 53.8 percent of suburban ones report that their capital budgets cover five years or more. In contrast, 44.8% of non-metropolitan respondents say that their capital budgets cover five years or more. It may be of more interest, however, that all types of cities report relatively high rates of budgeting processes that cover five years or more.

(Although the survey was explicit in asking how long a time period is covered by the responding city's capital budget, it is possible that some of the responses actually refer to planning documents of some kind rather than budget documents, strictly defined.)

Table II-2

Time Period of Capital Budget by Population

Time Period	Less Than 10,000	10,000 to 25,000	25,000 to 50,000	50,000 to 100,000	100,000 to 500,000	Over 50,000	Not Answered	Total
One Year Only	53 53.5%	68 39.8%	80 34.5%	42 24.6%	23 21.1%	2 9.5%	3 50.0%	271 33.5%
Two Years	7 7.1%	4 2.3%	5 2.1%	6 3.5%	2 1.8%	0 0.0%	1 16.7%	25 3.1%
Three Years	9 9.1%	15 8.8%	11 4.7%	12 7.0%	4 3.7%	1 4.8%	1 16.7%	53 6.6%
Four Years	2 2.0%	2 1.2%	4 1.7%	4 2.3%	3 2.8%	3 14.3%	0 0.0%	18 2.2%
Five Years Over	23 23.2%	75 43.9%	131 56.5%	103 60.2%	74 67.9%	15 71.4%	1 16.7%	422 52.2%
Miscoded	0 0.0%	0 0.0%	1 .4%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 .1%
Not Answered	5 5.1%	7 4.1%	0 0.0%	4 2.3%	3 2.8%	0 0.0%	0 0.0%	19 2.3%
Total	99 12.2%	171 21.1%	232 28.7%	171 21.1%	109 13.5%	21 2.6%	6 .7%	809 100.0%

CAPITAL BUDGETS AND ECONOMIC DEVELOPMENT

When asked to what extent the creation and retention of private sector jobs and the city's overall economic goals are taken into consideration in the formulation of capital budgets, most (61 percent) of those surveyed answered that these were either "very important" or "important" considerations. Smaller numbers answered "unimportant" or "very unimportant".

Table II-3

Private Sector Jobs in Budget Formulation

Extent of Consideration	Frequency	Percent
Very Important	154	19.0%
Important	338	41.8%
Unimportant	219	27.8%
Very Unimportant	42	5.2%
Not Sure	47	5.8%
Not Answered	9	1.1%

A second question sought to follow up further on the possible connection between infrastructure planning and economic development. It asked whether the city differentiates, in formulating its capital budgets, between projects necessary to provide public services to residents and projects necessary for the retention of private sector jobs and for economic development. This drew a revealing response: 284 (35.1 percent) respondents indicated that their capital budgets did make this distinction while a surprisingly large number, 477 (59 percent) answered that their capital budgets did not make the distinction. (Nine respondents or 1.1 percent did not answer the question while 34 or 4.2 percent were not sure.) Northeastern respondents said their capital budgets differentiate nearly twice as often as Western respondents.

Simultaneous analysis of the responses to both questions reveals that some cities do not make a budgetary distinction regarded by them as important. Specifically, this analysis found that 233 respondents who said that creation and retention of private sector jobs was a "very important" or "important" consideration in formulating capital budgets also said that their budgets did not differentiate between projects with residential service and economic development goals.

Further analysis is necessary to fully understand this apparent contradiction. For instance, it maybe that, while cities take economic development into consideration as a "very important" factor in creating capital budgeting goals, they do not differentiate or separately identify such projects in the budget. Similarly, it may be that cities simply do not make the distinction between the different types of projects, although later survey data seem to contradict such speculation. In any event, further follow-up might provide additional useful information.

CAPITAL BUDGET FUNCTIONS

A further group of questions asked for information concerning the functions included in capital budgets. Respondents were first asked to indicate whether each of four broad categories of capital "program activities" are included in the capital budget itself. These broad categories were:

- "preventive maintenance,"
- "major maintenance,"
- "rehabilitation/reconstruction," and
- "expansion/new construction."

Table II-4 presents the responses to this question.

The inclusion of preventive maintenance seems largely unrelated to regional location or city type. There are, however, large differences in the frequency with which respondents from different size categories say their city includes preventive maintenance, as Table II-5 demonstrates.

FINANCING ALTERNATIVES

A variety of debt and non-debt funding sources can finance each broad type of capital program activity. Financing alternatives offered in the survey included:

- "general obligation" bonds (those backed by the full faith and credit of the issuer);
- "revenue" bonds (backed by specific revenues produced in a stream by the project for which the bonds are being issued);
- local tax revenues;
- "tax increment financing" (usually debt instruments backed by tax revenue increases expected from new residential or economic activity directly attributable to the specific project financed by the instrument);

Table II-4

Broad Functions Included in Capital Budgets

Program Categories	Included		Not Included		Not Sure		Not Answered	
	#	%	#	%	#	%	#	%
Preventive Maintenance	351	43.4%	432	53.4%	20	2.5%	6	.7%
Major Maintenance	621	76.8%	170	21.0%	12	1.5%	6	.7%
Rehabilitation/Reconstruction	744	92.0%	52	6.4%	7	.9%	6	.7%
Expansion/Non Construction	766	94.7%	33	4.1%	4	.5%	6	.7%

Table II-5

In Capital Budget: Preventive Maintenance by Population

Preventive Maintenance	Less Than 10,000		10,000 to 25,000		25,000 to 50,000		50,000 to 100,000		100,000 to 500,000		Over 50,000		Not Answered	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Included	61	61.6%	64	37.4%	97	41.8%	76	44.4%	46	42.2%	5	23.8%	2	33.3%
Not Included	37	37.4%	99	57.9%	127	54.7%	88	51.5%	61	56.0%	16	76.2%	4	66.7%
Not Sure	0	0.0%	4	2.3%	8	3.5%	7	4.1%	1	.9%	0	0.0%	0	0.0%
Not Answered	1	1.0%	4	2.3%	0	0.0%	0	0.0%	1	.9%	0	0.0%	0	0.0%
Total	99		171		232		171		109		21		6	
Percentage of Total	12.2%		21.5%		28.7%		21.1%		13.5%		2.6%		.7%	

- o "sale and leaseback arrangements" (procedures which allow governmental and other entities which are not taxed by the federal government to sell and lease back buildings, transit equipment and other facilities from firms which are profitable enough to need their tax credits and deductions for tax liability reduction purposes);
- o user fees (fees derived from specific projects);
- o federal funds;
- o state funds; and
- o "other."

The survey asked respondents to indicate which of these sources provides the most money for each of the capital program categories of preventive maintenance, major maintenance, rehabilitation/reconstruction, and expansion/new construction.*

As Table II-6 demonstrates, the majority of respondents who picked just one funding source said that the most money for preventive maintenance in their locality comes from local taxes, but small numbers designated other primary financial sources, with small numbers picking "other" sources.

Local taxes are also the most often used single source of financing for major maintenance, according to the respondents who picked just one financial source.

The rest of the pattern is somewhat different for "major" as contrasted with "preventive" maintenance: more respondents indicated general obligation bonds, revenue bonds, user fees, federal funds, or state funds as the primary sources of funding for the major maintenance function.

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*Unfortunately, the results of this question were clouded because a significant number of respondents, ranging from 14 percent to 26 percent, indicated two or more funding sources for the subject program activities. These responses could not be used because it was impossible to tell which single financing source provided the most money. Thus, a different pattern might have emerged in Table II-6 if all of these responses had been correctly entered. A follow-up survey of those respondents who made this response error (and whose responses were, therefore, classified "miscoded") could add a very important increment of knowledge to the study.

Table II-6

Source of Primary Funding for Broad Categories

Program Activity	Gen. Obl. Bonds #	Gen. Obl. Bonds %	Revenue Bonds #	Revenue Bonds %	Local Taxes #	Local Taxes %	Tax Incr. Financing #	Tax Incr. Financing %	Sale Lease-back #	Sale Lease-back %	User Fees #	User Fees %	Federal Funds #	Federal Funds %	State Funds #	State Funds %	Other #	Other %	Not Answered #	Not Answered %	Miscoded #	Miscoded %
Preventive Maintenance	21	2.6	3	.4	472	58.3	4	.5	0	0.0	56	6.9	11	1.4	33	4.1	8	1.0	86	10.6	115	14.2
Major Maintenance	79	9.8	18	2.2	331	40.9	4	.5	1	.1	61	7.5	50	6.2	46	5.7	12	1.5	54	6.7	153	18.9
Rehabilitation/ Reconstruction	135	16.7	37	4.6	125	15.5	6	.7	0	0.0	41	5.1	198	23.5	40	5.0	10	1.2	40	5.0	185	22.9
Expansion/New Construction	222	27.4	65	8.0	46	5.7	10	1.2	0	0.0	18	2.2	171	21.1	19	2.3	12	1.5	29	3.6	217	26.8

The funding source pattern indicated by respondents for rehabilitation and reconstruction is substantially different than that seen for preventive or major maintenance. Here, federal funds and general obligation bonds were both more frequently cited primary sources of financing than local taxes. Such other devices as revenue bonds, tax increment financing, user fees, state funds, and "other" sources are also indicated.

Still another primary funding source pattern emerges with respect to expansion and new construction activities. Here, the most common primary sources indicated by respondents are general obligation bonds and federal funds. Revenue bonds, local taxes, tax increment financing, user fees, state funds, and "other" sources are also sometimes indicated as primary funding sources for expansion and new construction activities.

The relatively heavy reported use of federal funds for both rehabilitation/reconstruction and expansion/new construction activities may surprise some observers and this finding is worth some additional analysis. The survey results suggest that geographic location, population size and density have only a little to do with using federal funds. Respondents from the South, from cities of less than 10,000 in population, and from cities in non-metropolitan areas perceived their cities to be making primary use of federal funds for rehabilitation/reconstruction activities slightly more often than respondents from Northeastern cities, larger cities, and central cities respectively. Southern respondents also indicated their cities more often use federal funds for expansion and new construction activities. Respondents from large cities and central cities also use federal funds for this category slightly more than other cities.

Another item which bears more analysis is the increase in the reported use of general obligation bonds as the type of capital project activity changes on the spectrum from preventive maintenance to expansion and new construction. Here a striking regional variation emerges from cross-tabulation data. Respondents from much higher percentages of Northeastern cities than of any other region indicate the use of general obligation bond financing as the primary source for both rehabilitation/reconstruction and expansion/new construction. In addition, population size is an important factor: respondents from the largest cities said their local governments use general obligation bonds as the primary funding source for both rehabilitation/reconstruction and expansion/new construction activities more often than respondents from the smallest cities.

The relatively light reported use of revenue bond financing also is of interest. The survey results seem to show surprisingly little use of revenue bond financing, given the dollar volume of revenue bond financing done in the U.S. every year. (For example, in 1982, $56 billion in revenue bonds were issued by public agencies.) However, revenue bonds tend to be

one of the only types of debt instruments that public authorities, special service districts, and other non-general purpose entities can use. Given the fact that none of these entities was included in the survey and that general purpose local governments have a much broader range of financing tools from which to choose, the relatively low reported use of revenue bond financing is perhaps not as surprising as it might appear.

STATE DEBT RESTRICTIONS

State governments often impose restrictions on the amount or interest rates of general obligation debt which can be issued by local governments. Some of these restrictions date from the 1930s, when a number of municipalities defaulted on bonds they had issued prior to the 1929 stock market crash. Others are of more recent origin. Forty-six states limit the amount of general obligation debt cities can issue, and thirty-four states have restrictions on the interest rates local debt may carry.

Respondents were asked to what extent such state restrictions on general obligation debt adversely affect their capital budget efforts. While 45 percent answered "not at all" to this question, 48 percent answered either "somewhat" or "very much."

Table II-7

Do State Restrictions Adversely Affect Budgeting Process?

	Frequency	Percent
Very Much	126	15.6%
Some What	262	32.4%
Not at All	364	45.0%
Not Sure	52	6.4%
Not Answered	5	.6%

Western respondents report that state restrictions adversely affect their capital budgeting processes more frequently than Southern, North Central, or Northeastern respondents. Respondents in cities over 50,000 report this adverse effect more frequently than smaller cities.

MINIMUM USEFUL LIFE OF CAPITAL PROJECTS

When they were asked "as a rule" what the minimum useful life is for a debt financed project, the most -- between one

third and one half of respondents -- answered "more than 20 years." Only a few of the respondents answered "less than five years;" less than one in six answered "five to ten years;" and over one in three answered "11 to 20 years."

Table II-8

Minimum Useful Life for Debt Projects

	Frequency	Percent
Less than 5 years	21	2.6%
5 to 10 years	120	14.8%
11 to 20 years	283	35.0%
More than 20 years	348	43.0%
Not answered	37	4.6%

Among the regions, cities in the Northeast said that they use debt for projects of ten years or less minimum life more often than cities in the other regions. A total of 7.2 percent of Northeastern respondents answered "less than 5 years," while smaller percentages of respondents in other regions gave this answer. Perhaps more significantly, 37.8 percent of Northeastern repondents answered "5 to 10 years," while only 16.9 percent of North Central respondents, 11 percent of Southern respondents, and 4 percent of Western respondents gave this answer.

Neither population size nor city type appears to be substantially related to the issuance of debt for shorter- lived capital projects, according to cross tabulations of the responses to this question.

EFFECTIVENESS OF LOCAL CAPITAL BUDGETING PROCESS

A further group of questions concerned the overall effectiveness of local capital budgeting processes and how they might be improved.

When asked which level of government ought to finance programs to help improve capital budgeting in cities, federal, state, and local roles were all heavily recommended.

- 686 respondents (84.8 percent) thought local governments themselves should pay for budget process improvements.
- 531 respondents (65.6 percent) thought that state government should play this role.

- 421 respondents (52 percent) thought the federal government should play this role.

Respondents from cities over 500,000 more often said that the federal government should play a role, while cities under 10,000 said this less frequently.

When they were asked which areas they would choose to improve if assistance were made available to improve local capital budgeting, respondents often chose more than one area:

- 508 (62.8 percent) chose "needs analysis,"
- 465 (57.5 percent) chose "development of priorities," and
- 546 (67.5 percent) chose "analysis of financial options".

A question asked respondents to rate their capital budgeting systems with respect to their effectiveness at meeting a wide variety of important objectives, including:

- establishing project priorities,
- distinguishing between major repairs and routine maintenance,
- distinguishing between maintenance/repair and new construction/expansion needs,
- insulating project and priority selection from local "pork barrel" politics,
- measuring quality of public facilities through periodic inventory of their condition,
- minimizing political pressures, and
- allocating resources to economic development needs.

Nationwide, the majority of the respondents said their cities' capital budgeting processes are either "very effective" or "effective" at meeting all of these objectives. For example, a typical response came on the "pork barrel" objective: 152 respondents (18.8 percent) said their cities' process was "very effective" and 403 (70.8 percent) said their cities' process was "effective," at insulating the process from "pork barrel" politics. On the other hand, 147 (18.2 percent) said their process was "ineffective" and 28 (3.5 percent) said their cities' process is "very ineffective" in achieving this objective.

Of all the objectives, the fewest respondents (10.5 percent) rated their process as "very effective" in "measuring quality of public facilities through periodic inventory of their condition." Also, local processes were more often rated by respondents as "ineffective" (29.5 percent) or "very ineffective" (4.0 percent) in accomplishing this objective than any other. One possible explanation for this result is that a substantial number of responding cities do not have regular, formal quality assessment and inventory procedures for their public capital facilities.

III. CURRENT PHYSICAL CONDITION OF CAPITAL FACILITIES

Cities were asked to rate the physical condition of nineteen specific kinds of physical infrastructure on the following scale:

- o "in good condition",
- o "needs major repair",
- o "needs major rehabilitation", and
- o "needs replacement."

The information generated by this question is extremely rich. It is impossible to characterize the findings adequately in a short summary. However, some major points should be noted.

First, with regard to six of the nineteen facility types, a majority of the respondents said these facilities in their cities are "in good condition." These facility types are:

o Community social service facilities	58.8 percent said "in good condition"
o Parks and Recreational facilities, open space	55.7 percent
o Water Storage	54.8 percent
o Public building	54.4 percent
o Water treatment	50.6 percent
o Traffic control equipment	50.3 percent

Second, for ten of the nineteen facility types, at least 30 percent of the respondents said that those facilities in their cities require major repair, major rehabilitation or replacement. there is some overlap between the first and second group, indicating the varieties of local situations:

o Streets and roads	70.4 percent said "major work needed"
o Sidewalks and curbs	69.9 percent
o Stormwater collection and drainage	67.4 percent
o Sewage collection	49.8 percent
o Bridges, overpasses and viaducts	44.9 percent
o Public buidlings	42.9 percent
o Traffic control equipment	39.0 percent
o Parks, recreation facilities, open space	35.0 percent
o Wastewater treatment	34.7 percent
o Water distribution	31.3 percent

Finally, in six of the facility types, at least 25 percent of the respondents reported that the facility types "did not apply to this city:"

o Docks, wharves, and ports	77.9 percent said "it didn't apply"
o Public transportation facilities	64.3 percent
o Public transportation rolling stock	63.0 percent
o Public school buidlings	59.9 percent
o Solid waste disposal facilities and resource recovery facilities	40.8 percent
o Water treatment	27.0 percent

In some cases, these last rates are extremely high. Without further research, no definitive conclusions can be drawn from these data. However, it seems reasonable to hypothesize that many of these facilities--such as school buildings--are under the control of boards or authorities which operate independently of the city government. Their capital needs would not necessarily show up in this survey.

Also, it is probable that many of the respondents simply do not have some of the other facilities, such as public transportation or docks, wharves, and ports. In those which do have such facilities, it is also likely that a substantial portion also use independent boards or authorities or private enterprises, to operate such systems.

The overlap among categories and the variety of responses amond different types of responding cities underlines the major overriding finding of this survey: local infrastructure needs and priorities vary widely among cities.

The survey did not seek information on the need for expansion of existing facilities, a significant factor for many communities regardless of the condition of existing facilities.

The terms "in good condition," "major repair," "major rehabilitation" and "needs replacement" were not further defined in the survey, nor was there any "scaling" measure applied to each possible response to allow finer calibration of responses. Such steps would have further complicated an already complex survey. However, without additional data, the survey results are open to a range of interpretations. For example, some respondents who chose "needs replacement" may have been referring to a small section of the system being referred to while others choosing the same answer may have been referring to the entire system. It is impossible to tell with any precision what the respondents mean by their response without substantial follow-up

survey research with the same respondents. The basic response frequency data is summarized in Table III-1.

The following sections have been organized to help the reader understand the key relationships which emerged from the responses. The nineteen specific facility types have been organized into seven more general facility categories, each containing from one to six faciliity types. Basic national response frequency data are presented in tabular form and, where appropriate, discussed for each specific facility type. These tabular presentations, Tables III-2 through III-8, are excerpted from Table III-1 for the convenience of the reader. At the end of the entire subchapter on physical condition, a discussion of regional, population size, and city-type relationships involving six selected individual facility types is presented. Rather than present such a discussion for every facility type, these six types were chosen because they are consistently the highest priority facility types of the responding cities. (See Chapter V for details on the priorities.)

Table III-1

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	* In Good Condition		* Needs Major Repair		* Needs Major Rehab.		* Needs Replacement		* Not Sure		* Not Applicable		* No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
a. Sewage Collection	293	36.2%	134	16.6%	229	28.3%	40	4.9%	6	.7%	74	9.1%	33	4.1%
b. Wastewater Treatment (incl. interceptors)	301	37.2%	80	9.9%	141	17.4%	60	7.4%	2	.25%	187	23.1%	38	4.7%
c. Stormwater Collection & Drainage	193	23.9%	197	24.4%	258	31.9%	90	11.1%	15	1.9%	35	4.3%	21	2.6%
d. Water Treatment	409	50.6%	41	5.7%	54	6.7%	34	4.2%	11	1.4%	214	26.5%	46	5.7%
e. Water Distribution	375	46.4%	109	13.5%	113	14.0%	31	3.9%	9	1.1%	135	16.7%	37	4.6%
f. Water Storage	443	54.8%	61	7.5%	65	8.0%	26	3.2%	12	1.5%	163	20.1%	39	4.8%
g. Solid Waste Disposal Facilities & Resource Recovery Facilities	220	27.1%	41	5.1%	50	6.2%	106	13.1%	15	1.9%	330	40.8%	47	5.8%
h. Public Buildings (fire, police, municipal garages, city hall, etc.)	440	54.4%	131	16.2%	98	12.1%	118	14.6%	7	.9%	1	.1%	14	1.7%
i. Community Social Service Facilities (senior citizen centers, libraries, municipal cultural centers)	476	58.8%	84	10.4%	53	6.6%	57	7.5%	14	1.7%	101	12.5%	24	3.0%
j. Public School Buildings	171	21.1%	58	7.2%	27	5.3%	13	1.6%	16	2.0%	460	56.9%	64	7.9%

(table continued on next page)

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	* In Good Condition		* Needs Major Repair		* Needs Major Rehab.		* Needs Replacement		* Not Sure		* Not Applicable		* No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
k. Public Hospitals & Clinics	53	6.6%	5	.6%	4	.5%	7	.9%	7	.9%	251	31.0%	478	59.1%
l. Bridges, Overpasses, Viaducts	204	2.52%	154	19.0%	108	13.3%	101	12.5%	9	1.1%	191	23.6%	42	5.2%
m. Streets & Roads	209	25.8%	313	38.7%	209	25.8%	48	6.0%	5	.6%	5	.6%	20	2.5%
n. Sidewalks & Curbs	205	25.3%	311	38.4%	184	22.7%	71	8.8%	5	.6%	111	1.4%	22	2.7%
o. Traffic Control Equipment (lights, etc.)	407	50.3%	134	16.6%	91	11.2	91	11.2%	5	.6%	54	6.7%	27	3.3%
p. Public Transportation Rolling Stock	163	20.1%	21	2.6%	11	1.4%	48	6.0%	8	1.0%	510	65.0%	48	5.9%
q. Public Transportation Facilities	140	17.3%	22	2.7%	23	2.8%	37	4.6%	10	1.2%	520	64.3%	57	7.0%
r. Parks, Recreational Facilities, Open Spaces	451	55.7%	149	18.4%	113	14.0%	22	2.7%	7	.9%	40	4.9%	27	3.3%
s. Docks, Wharfs, Ports	41	5.1%	24	3.0%	25	3.1%	21	2.6%	8	1.0%	630	77.9%	60	7.4%
t. Other	15	1.9%	6	.7%	10	1.2%	24	3.0%	2	.2%	3	.4%	749	92.6%

*Left columns, under each heading, denote number of responses; right columns denote percentage of those surveyed.

WATER FACILITIES

The data for the six specific facility types which fall into this general category are presented in Table III-2.

Table III-2

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
a. Sewage Collection	293	36.2%	134	16.6%	229	28.3%	40	4.9%	6	.7%	74	9.1%	33	4.1%
b. Wastewater Treatment (incl. interceptors)	301	37.2%	80	9.9%	141	17.4%	60	7.4%	2	.25%	187	23.1%	38	4.7%
c. Stormwater Collection & Drainage	193	23.9%	197	24.4%	258	31.9%	90	11.1%	15	1.9%	35	4.3%	21	2.6%
d. Water Treatment	409	50.6%	41	5.7%	54	6.7%	34	4.2%	11	1.4%	214	26.5%	46	5.7%
e. Water Distribution	375	46.4%	109	13.5%	113	14.0%	31	3.9%	9	1.1%	135	16.7%	37	4.6%
f. Water Storage	443	54.8%	61	7.5%	65	8.0%	26	3.2%	12	1.5%	163	20.1%	39	4.8%

Sewage Collection: While a large number of respondents stated that these facilities are in good condition, a larger combined total number said they need either major repair, major rehabilitation or replacement.

Wastewater Treatment, Including Interceptor Sewer Lines: The respondents said their systems are in good condition. But only a slightly smaller combined total number thought they need major repair, major rehabilitation or replacement. The fact that a large number responded that the facility type was "not applicable" indicates that more definitive information on the condition of wastewater treatment facilities, including interceptor sewer lines, is needed from officials of the special service districts or other jurisdictions likely to be responsible for their development and maintenance.

Storm Water Collection and Drainage: A relatively small number of respondents said these facilities are in good condition, while a relatively high number said they need major repair. A very high number said they need major rehabilitation and a relative few said they need replacement. These data probably reflect the fact that a large number of communities still have single systems which combine their sewage and storm water, causing severe problems of drainage, wastewater treatment and water pollution during periods of heavy rainfall.

Water Treatment: As noted above, this was one of the few categories in which facilities were generally reported to be in good condition, with a majority responding with that characterization. Only relatively small numbers said that major repair or major, rehabilitation, or replacement are necessary.

The fairly high number of respondents who found this facility type "not applicable" suggests the extent to which private companies, special districts or authorities or other special entities are involved in the field.

Water Distribution: In this facility category, a relatively large number of respondents said their systems are in good condition, while relativlev small numbers cited a need for major repair, major rehabilitation, or replacement. A fairly large number found this facility type "not applicable," again possibly reflecting the fact that private water companies and special service districts are sometimes relied upon for water distribution.

Water Storage: As noted previously, a majority of respondents said their water reservoirs, tanks, and other storage facilities are in good condition. Onlv small numbers of respondents said these facilities need major repair, major rehabilitation, or replacement. Again, a fairly high number found the category "not applicable."

SOLID WASTE DISPOSAL AND RESOURCE RECOVERY FACILITIES

This is a single facility-type categorv which could not easily be lumped with other facility types. Of those who answered and for whom this categorv is applicable, most said their solid waste disposal and resource recovery facilities are in "good condition," half as manv said they replacement, and markedlv fewer said they need either major repair or major rehabilitation. A very large number found this categorv "not applicable," suggesting that special authorities, service districts, and the private sector remain very active in this field.

Table III-3

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
g. Solid Waste Disposal Facilities & Resource Recovery Facilities	220	27.1%	41	5.1%	50	6.2%	106	13.1%	15	1.9%	330	40.8%	47	5.8%

PUBLIC STRUCTURES

Information regarding the status of four specific kinds of public structures were requested in the survey.

Table III-4

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
h. Public Buildings (fire, police, municipal garages, city hall, etc.)	440	54.4%	131	16.2%	98	12.1%	118	14.6%	7	.9%	1	.1%	14	1.7%
i. Community Social Service Facilities (senior citizen centers, libraries, municipal cultural centers)	476	58.8%	84	10.4%	53	6.6%	57	7.5%	14	1.7%	101	12.5%	24	3.0%
j. Public School Buildings	171	21.1%	58	7.2%	27	5.3%	13	1.6%	16	2.0%	460	56.9%	64	7.9%
k. Public Hospitals & Clinics	53	6.6%	5	.6%	4	.5%	7	.9%	7	.9%	251	31.0%	478	59.1%

Public Buildings (fire, police, municipal garages, city halls, jails, etc.): A majority of the respondents said that their public buildings are in good condition. Nonetheless, 42.9% said these facilities need either major repair, major rehabilitation, or replacement.

Community Social Service Facilities: Here again, a majority of the respondents said facilities of this kind are in good condition, with significant but smaller numbers indicating a need for major repair, major rehabilitation or replacement.

Public School Buildings: Most respondents indicated that this category was not applicable to them, probably indicating the pervasiveness of politically independent authority over the local public education function. The next highest number of those surveyed said their school buildings are in good condition, while only relatively small numbers said they need major repair, major rehabilitation, or replacement.

Public Hospitals and Clinics: Because of an error, a separate response line was not printed on the survey instrument for this category. Hence, an overwhelming number of survey respondents simply did not answer this question, and it is of no value to summarize this fragmentary data here.

GROUND TRANSPORTATION FACILITIES

Four different types of facilities are included here, with the principal results standing in sharp contrast to those seen in other categories.

Table III-5

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
l. Bridges, Overpasses, Viaducts	204	2.52%	154	19.0%	108	13.3%	101	12.5%	9	1.1%	191	23.6%	42	5.2%
m. Streets & Roads	209	25.8%	313	38.7%	209	25.8%	48	6.0%	5	.6%	5	.6%	20	2.5%
n. Sidewalks & Curbs	205	25.3%	311	38.4%	184	22.7%	71	8.8%	5	.6%	111	1.4%	22	2.7%
o. Traffic Control Equipment (lights, etc.)	407	50.3%	134	16.6%	91	11.2	91	11.2%	5	.6%	54	6.7%	27	3.3%

Bridges, Overpasses, Viaducts: Fairly small numbers of respondents said these facilities are in good condition. And nearly twice as many said they need either major repair, major rehabilitation, or replacement. The possibility that some responses may refer to entire systems while others may refer only to parts of systems should be kept in mind with respect to these results. About a quarter of the respondents said this category was "not applicable," which suggests that many bridges, overpasses and viaducts are under the control of such other levels of government as states, special authorities, and possibly counties.

Streets and Roads: Here too, a relatively small share of those surveyed rated these facilities in good condition, while a very high number (nearly 70%) rated them as needing either major repair, major rehabilitation, or replacement.

Although the "sidewalks and curbs" category (which follows) has similarly low levels of perceived good condition and high levels of perceived need for work ranging from major repair to replacement, the "streets and roads" category probably represents a much more substantial financial burden for cities surveyed, given the differences in scale between the two kinds of projects. Other data, presented later in this report, will shed additional light on this question.

Sidewalks and Curbs: A relatively low number of those surveyed said their cities' sidewalks and curbs are in good condition. Nearly three times as many said that these facilities need major repair, major rehabilitation or replacement.

Traffic Control Equipment: This is the only transportationr-elated category in which as many as half of the respondents said the facilities are in good condition. However, significant numbers felt major repair, major rehabilitation, or replacement is necessary.

PUBLIC TRANSPORTATION

Information on two types of public mass transit facilities was requested in the survey.

Table III-6

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
p. Public Transportation Rolling Stock	163	20.1%	21	2.6%	11	1.4%	48	6.0%	8	1.0%	510	65.0%	48	5.9%
q. Public Transportation Facilities	140	17.3%	22	2.7%	23	2.8%	37	4.6%	10	1.2%	520	64.3%	57	7.0%

Public Transportation Rolling Stock: This facility type has an extremely high rate of "not applicable" responses. The survey yields no information on perceived condition in these situations. Most of the respondents in cities that rated this facility type said that it is in good condition, with comparatively small numbers saying that major repair, major rehabilitation or replacement are required.

Public Transportation Facilities: Again with this facility-type, most respondents found it "not applicable" to their local general purpose government. Most of those remaining rated their public transportation facilities to be in good condition, while small numbers rated them as needing repair, major rehabilitation or replacement.

PARKS, RECREATIONAL FACILITIES AND OPEN SPACES

This is a single facility type category which could not easily be organized with any other facility types. Here, a majority of the respondents said their parks, recreational facilities and open spaces are in good condition. Smaller but still important numbers said these systems need major repairs or major rehabilitation. Very few said replacement is needed.

Table III-7

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
r. Parks, Recreational Facilities, Open Spaces	451	55.7%	149	18.4%	113	14.0%	22	2.7%	7	.9%	40	4.9%	27	3.3%

DOCKS, WHARVES AND PORTS

This is another single facility type which could not be conveniently organized with another type for analysis and discussion. Because 630 or 77.9 percent of the respondents found the category to be not applicable to their situations, the data on other responses give only a very fragmentary picture of the perceived condition of those facilities. Of the few who found this category applicable, some half as many indicated their facilities were in good condition as said they needed major repair, major rehabilitation, or replacement.

Table III-8

PHYSICAL CONDITION OF CITIES' FACILITIES

FACILITY TYPES	In Good Condition		Needs Major Repair		Needs Major Rehab.		Needs Replacement		Not Sure		Not Applicable		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
5. Docks, Wharfs, Ports	41	5.1%	24	3.0%	25	3.1%	21	2.6%	8	1.0%	630	77.9%	60	7.4%

CONDITIONS OF HIGH PRIORITY FACILITY TYPES IN REGIONS, POPULATION SIZES AND CITY TYPES

A later survey question asked respondents to choose facility types which would be priority projects for the city (see Chapter V for details). This section analyzes regional, population size, and city type differences in stated conditions of the six facility types chosen most often as priorities. These priority facility types are:

- o streets and roads,
- o storm water collection,
- o wastewater treatment, including interceptors,
- o sewage collection,
- o public buildings, and
- o water distribution.

Streets and Roads: Respondents from the four regions don't differ substantially with respect to the condition of streets and roads.

Respondents from cities with populations over 500,000 said their cities' streets and roads are in good condition only about one half to one third as often as did those from cities in any other population category. Similarly, respondents from the largest cities said that their streets and roads were in need of major rehabilitation about twice as often as did respondents from any other population categories.

Suburban respondents stated that their streets and roads were in good condition more often -- 33.8 percent of responses -- than did those in central cities (18.0 percent) and slightly more often than those in non-metropolitan areas (25.9 percent).

Stormwater Collection: Regional location has nothing notable to do with the response pattern on the condition of this facility type.

There are some notable relationships with respect to population size however. Respondents from cities of 25,000-100,000 said their systems need "major rehabilitation" least frequently. Cities of over 500,000 said their systems need major rehabilitation 52.4 percent of the time.

Respondents from cities under 10,000 said these facilities need replacement 15.2% of the time, the highest such response in any population category.

There were also notable differences among city types: suburban respondents said their stormwater collection systems are in good condition nearly twice as often (32.1%) as those from non-metro areas (17%) and somewhat more often than those from central cities (21.1%). Similarly, suburban respondents said their systems need major rehabilitation less often than central cities or non-metropolitan respondents.

Wastewater Treatment, Including Interceptors: Regional variations in the perceived condition of wastewater treatment facilities were modest. Western respondents said their systems are in good condition slightly more often (41.1 percent) than those from the Northeast (33.3 percent), with those from the North Central (34.6 percent) and Southern regions (39.6 percent) falling in between. Similarly, respondents from the West said their systems need major rehabilitation a little less frequently (11.4 percent of the time) than did those from the other regions. Southern respondents said this category is not applicable less frequently (16.5 percent) than did those from other regions.

While there are some variations among population groups with respect to this facility type only one clear pattern emerges from the data: as population size increases, the frequency with which respondents said their cities need replacement declines, from 15.1% for cities under 10,000 to 4.8% for cities of over 500,000.

A clear relationship exists between the response pattern and city type. Suburban respondents say their systems are in good condition much less frequently (27.5 percent) than those from central cities (42.2 percent) or non-metro areas (44.8 percent). This low response rate may be linked to the fact that suburban respondents said this category is not applicable far more often than did those from the other two city types.

Sewage Collection: The Western respondents said their sewage collection systems are in good condition more often (45.7 percent of the time) than did those in the other three regions, with Northeastern respondents saying their systems are in good condition least often (32.4 percent). Similarly, Western respondents see their systems needing replacement less often (1.7 percent) than respondents from other regions, particularly the Northeast, where 9.9 percent of the respondents said their sewage systems need replacement.

Population has no effect on the frequency of responses except with respect to the largest cities, which say their systems are in good condition the least often (19.1 percent of the time) and find them needing major rehabilitation the most often (47.6 percent).

Curiously, smaller cities, particularly those under 10,000 in population, said their systems require replacement the most frequently (7.1 percent), though this involves very small numbers of cities.

City type appears to have little or no effect on responses.

Public Buildings: The respondents from the North Central region said that their public buildings were in good condition more often (61.7 percent) than did those in the Northeast (46.9 percent), West (50.9 percent), and the South (53.5 percent). Northeastern respondents noted the need for major rehabilitation of their public buildings nearly three times as often (21.6 percent) as did respondents from the North Central region (8.6 percent) and nearly twice as often as respondents from the Southern (11.7 percent) and Western regions (12.0 percent).

Respondents from cities with populations over 500,000 rated their public buildings in good condition only about half as frequently (23.8 percent) as respondents from all other size categories. Similarly, respondents from the cities over 500,000 noted that their public buildings were in need of rehabilitation 2 to 3 times as often (33.3 percent) as the respondents from cities of all other sizes. Suburban respondents said that their public buildings were in good condition substantially more often (63.8 percent) than did those in central cities (49.0 percent) non-metropolitan areas (50.0 percent). Respondents from non-metropolitan areas noted the need to do major rehabilitation on their public buildings slightly more often (15.1 percent) than did other respondents.

Water Distribution: Northeastern respondents said their water distribution systems are in good condition far less often (29.7 percent of the time) than respondents from the other three regions.

Respondents from cities with populations over 500,000 said their water distribution systems were in good condition about half as often (19.1 percent) as all other size categories. Similarly, respondents from the largest cities noted that their systems were in need of major rehabilitation twice as often (38.1 percent) as all other size categories.

The ratings of water distribution system conditions seem to be unrelated to city type.

IV. ABILITY TO FINANCE REPAIR, REHABILITATION OR REPLACEMENT OF CAPITAL FACILITIES

For each of the nineteen individual facility types reviewed in the previous section, those surveyed were asked to describe their "city's ability to bear the cost for facilities for which the city has primary responsibility for maintenance, repair and replacement." The range of possible answers was as follows:

- possible to finance out of own resources as a matter of course;
- possible to finance out of own resources but only with great difficulty;
- need state or federal aid for up to half the cost; and
- need state or federal aid for more than half the cost.

Other possible choices were "not in municipal budget" (roughly analogous to the "not applicable" response discussed in the previous section) and "not sure."

The basic national response data are summarized in Table IV-1.

Because the survey requested multiple choice type information on nineteen individual facility types with respect to various measures of ability to finance and because each of the responses can be cross-tabulated by region, population class and city type, a great deal of data was generated. It is possible to present only a fraction of these data in this report. However, some major points should be noted.

First, in five of these facility types, a majority of the respondents said they could finance necesary work out of their own resources either as a matter of course or with difficulty:

o Public building	67.8 percent said could finance from own resources
o Sidewalks and curbs	63.3 percent
o Water distribution	57.8 percent
o Water storage	53.4 percent
o Traffic control equipment	50.3 percent

However, in eight of the facility types at least 30 percent of the respondents said that they required some degree of state or federal aid to finance the necessary work. There is some overlap between the first and second groups, thus indicating the differences in local situations.

o Streets and roads	62.0 percent said aid needed
o Wastewater treatment	54.5 percent
o Bridges, overpasses, viaducts	54.4 percent

- o Parks, recreational facilities, open space — 49.2 percent
- o Stormwater collection and drainage — 48.3 percent
- o Sewage collection — 44.1 percent
- o Traffic control equipment — 38.6 percent
- o Sidewalks and curbs — 31.4 percent

Finally, in six of the facility types, at least 25 percent of the respondents reported that the facility type is "not in the municipal budget." These facility types are:

- o Public hospitals and clinics — 60.8 percent said not in budget
- o Docks, wharves and ports — 57.7 percent
- o Public school buildings — 53.8 percent
- o Public transportation facilities — 50.1 percent
- o Public transportation rolling stock — 48.9 percent
- o Solid waste disposal facilities and resource recovery facilities — 29.2 percent

The overlap among categories and the variety of responses among different types of responding cities underlines another major, overriding finding of this survey: the ability to finance necessary infrastructure work varies widely among cities.

The following sections have been organized to help the reader understand the key relationships which emerged from the responses. The nineteen specific facility types have been organized into seven more general categories, each containing from one to six facility types. Basic national response frequency data are presented in tabular form, and, where appropriate, discussed for each specific facility type. These tabular presentations, Table IV-2 through IV-8, are excerpted from Table IV-1 for the reader's convenience. At the end of the entire chapter on the ability to finance, a discussion of regional, population size, and city type relationships is presented for six selected individual facility types. Rather than present such a discussion for all facility types, these six types were chosen because they are consistently the highest priority facility types of the responding cities. (See Chapter V for details on the priorities.)

WATER FACILITIES

Six individual facility types which fall into the general category of "water facilities" are presented in Table IV-2.

Table IV-1

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
a. Sewage Collection	195	24.1%	139	17.2%	102	12.6%	255	31.5%	78	9.6%	13	1.6%	27	3.3%
b. Wastewater Treatment (incl. interceptors)	77	9.5%	58	7.2%	99	12.2%	342	42.2%	168	20.8%	33	4.1%	32	4.0%
c. Storm Water Collection and Drainage	131	16.2%	207	25.6%	154	19.0%	237	29.3%	40	5.0%	9	1.1%	31	3.8%
d. Water Treatment	248	30.7%	132	16.3%	63	7.8%	89	11.0%	183	22.6%	45	5.6%	49	6.1%
e. Water Distribution	293	36.2%	175	21.6%	69	8.5%	75	9.3%	122	15.1%	35	4.3%	40	4.9%
f. Water Storage	275	34.0%	157	19.4%	72	8.9%	75	9.3%	140	17.3%	43	5.3%	47	5.8%
g. Solid Waste Disposal Facilities & Resource Recovery Facilities	146	18.0%	123	15.2%	65	8.0%	128	15.8%	236	29.2%	71	9.9%	40	4.0%
h. Public Buildings (fire, police, municipal, garages, city hall, jails, etc.)	218	26.9%	331	40.9%	106	13.1%	116	14.3%	9	1.1%	6	.7%	23	2.8%
i. Community Social Service Facilities (senior citizen centers, libraries, municipal cultural centers)	170	21.0%	220	27.2%	136	16.8%	110	13.6%	105	13.0%	34	4.2%	34	4.2%
j. Public School Buildings	54	6.7%	57	7.0%	45	5.6%	43	5.3%	435	53.8%	95	11.7%	80	9.9%

(table continued on next page)

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
k. Public Hospitals and Clinics	28	3.5%	24	3.0%	29	3.6%	30	3.7%	492	60.8%	16	14.3%	90	11.1%
l. Bridges, Overpasses, Viaducts	47	5.8%	65	8.0%	152	17.8%	288	35.6%	154	19.0%	53	6.6%	50	6.2%
m. Streets & Curbs	107	13.2%	176	21.8%	233	31.3%	248	30.7%	5	.6%	2	.2%	18	2.2%
n. Sidewalks & Curbs	200	24.7%	312	38.6%	126	15.6%	128	15.8%	19	2.3%	3	.4%	21	2.6%
o. Traffic Control Equipment	221	27.3%	186	23.0%	186	23.0%	126	15.6%	50	6.2%	12	1.5%	28	3.5%
p. Public Transportation Rolling Stock	22	2.7%	24	3.0%	41	5.1%	153	18.9%	396	48.9%	104	12.9%	69	8.5%
q. Public transportation Facilities	18	2.2%	22	2.7%	47	5.8%	137	16.9%	405	51.0%	109	13.5%	71	8.8%
r. Parks, Recreational Facilities, Open Spaces	176	21.8%	204	25.2%	199	24.6%	148	18.3%	33	4.1%	14	1.7%	35	4.3%
s. Docks, Wharfs, Ports	20	2.4%	22	2.7%	24	3.0%	42	5.2%	467	57.7%	144	17.8%	90	11.1%
t. Other	6	.7%	14	1.7%	7	.9%	21	2.6%	5	.6%	2	.2%	754	93.2%

Table IV-2

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
a. Sewage Collection	195	24.1%	139	17.2%	102	12.6%	255	31.5%	78	9.6%	13	1.6%	27	3.3%
b. Wastewater Treatment (incl. interceptors)	77	9.5%	58	7.2%	99	12.2%	342	42.2%	168	20.8%	33	4.1%	32	4.0%
c. Storm Water Collection and Drainage	131	16.2%	207	25.6%	154	19.0%	237	29.3%	40	5.0%	9	1.1%	31	3.8%
d. Water Treatment	248	30.7%	132	16.3%	63	7.8%	89	11.0%	183	22.6%	45	5.6%	49	6.1%
e. Water Distribution	293	36.2%	175	21.6%	69	8.5%	75	9.3%	122	15.1%	35	4.3%	40	4.9%
f. Water Storage	275	34.0%	157	19.4%	72	8.9%	75	9.3%	140	17.3%	43	5.3%	47	5.8%

Sewage Collection: Only about one quarter of the respondents indicated that their cities' own financing of these facilities was possible as a matter of course, and about one sixth of those surveyed said that financing them out of their own resources was possible but difficult. On the other hand, approximately one in eight respondents said that up to half state or federal aid is necessary and just under one in three said more than half state or federal aid is necessary.

Wastewater Treatment, Including Interceptors: A very small number of respondents indicated that financing wastewater treatment facilities was possible as a matter of course and an even smaller number said it was possible but only with great difficulty. In contrast, a larger group said that up to half state or federal government aid was necessary and a very large group (42.3 percent) said that over half state or federal government aid is necessary. The fairly high number of "not in the budget" responses may give an indication of the extent of use of special service districts, regional authorities and similar devices to finance and oversee this function.

Storm Water Collection and Drainage: Reporting on this facility type, 16 percent of the respondents said that financing from their cities' own sources was possible as a matter of course and one in four said it was possible, but only with great difficulty. However, about one fifth reported that up to half state or federal aid is needed, and the largest number of respondents -- approaching one third -- said over half state or federal aid was needed.

Water Treatment: The ability to finance this type of facility out of the respondents' own scurces appears to be significantly more common than with wastewater treatment. Almost one in three respondents said that financing from cities' sources was possible as a matter of course and 132 (16.3 percent) said it was possible with great difficulty. Only a small group said up to or over half state or federal aid is needed. The fairly large

"not in budget" response may suggest the extent to which private water companies, special service districts, etc., are involved in the treatment of water. The fact that a somewhat smaller number reported "not in the budget" for water distribution (which follows) needs further analysis.

Water Distribution: Respondents say their cities are slightly more self-sufficient in the financing of this facility-type than with regard to water treatment, perhaps because water distribution is such a basic and traditional service of many cities and, in a small number of cases, treatment is unnecessary or not done. Here, 293 respondents (36.2 percent) reported that financing from their cities' own sources was possible as a matter of course, and 21.6 percent said that financing from their own sources was possible with great difficulty. Only small numbers of respondents reported that up to or more than half state or federal aid is needed.

Water Storage: A similar profile to that seen for water distribution is evident with respect to storage.

SOLID WASTE DISPOSAL AND RESOURCE RECOVERY FACILITIES

This category has only one specific facility type. Of those responding to the survey, between one sixth and one fifth said that it is possible for their cities to self-finance those facilities as a matter of course, and another slightly smaller group reported that it was possible to self-finance them but only with great difficulty. On the other hand, only a relatively small number said that up to half state or federal aid is needed, but 15.8 percent said that over half such aid is needed. These results are clouded by the fact that 29.2 percent said that this type of facility is not in the capital budget, suggesting relatively heavy use of private firms and other arrangements not under the direct control of general purpose local governments.

Table IV-3

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
g. Solid Waste Disposal Facilities & Resource Recovery Facilities	146	18.0%	123	15.2%	65	8.0%	128	15.8%	236	29.2%	71	9.9%	40	4.0%

PUBLIC STRUCTURES

Four specific facility types fall into this general category. However, as seen in Chapter III, two of these four categories--"public hospitals and clinics" and "school buildings"--yielded data which are not useful for this analysis. Thus, for the sake of brevity, discussion of the small number of responses received for these two facility types is omitted.

Table IV-4

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
h. Public Buildings (fire, police, municipal, garages, city hall, jails, etc.)	218	26.9%	331	40.9%	106	13.1%	116	14.3%	9	1.1%	6	.7%	23	2.8%
i. Community Social Service Facilities (senior citizen centers, libraries, municipal cultural centers)	170	21.0%	220	27.2%	136	16.8%	110	13.6%	105	13.0%	34	4.2%	34	4.2%
j. Public School Buildings	54	6.7%	57	7.0%	45	5.6%	43	5.3%	435	53.8%	95	11.7%	80	9.9%
k. Public Hospitals and Clinics	28	3.5%	24	3.0%	29	3.6%	30	3.7%	492	60.8%	16	14.3%	90	11.1%

Public Buildings: This category included fire houses, police stations, municipal garages, city halls and jails. A little over one quarter of respondents said that self-financing is possible as a matter of course, and over one third said that self-financing with great difficulty is possible. Relatively small numbers said that up to half and more than half state or federal aid is needed for the necessary work on these facilities.

Community Social Services Facilites: This facility type includes senior citizen centers, libraries, and municipal cultural centers. A total of 21 percent of the respondents said self-financing is possible as a matter of course and 27.2 percent said that self-financing is possible only with great difficulty. Only 16.8 percent of those surveyed reported that up to half of the costs of repair, rehabilitation and replacement needs to be borne by state or federal sources and between 13.6 percent said that more than half of these costs need to be borne by state or federal aid. These results are very similar to those reported for the "public building" facility type, above.

GROUND TRANSPORTATION FACILITIES

Four important facility types are included in this category: "bridges, overpasses and viaducts," "streets and roads," "sidewalks and curbs," and "traffic control equipment." As each facility type is discussed it will be important to keep in mind the rather substantial differences in scale between these categories and the probable financing needs they imply.

Table IV-5

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
l. Bridges, Overpasses, Viaducts	47	5.8%	65	8.0%	152	17.8%	288	35.6%	154	19.0%	53	6.6%	50	6.2%
m. Streets & Curbs	107	13.2%	176	21.8%	233	31.3%	248	30.7%	5	.6%	2	.2%	18	2.2%
n. Sidewalks & Curbs	200	24.7%	312	38.6%	126	15.6%	128	15.8%	19	2.3%	3	.4%	21	2.6%
o. Traffic Control Equipment	221	27.3%	186	23.0%	186	23.0%	126	15.6%	50	6.2%	12	1.5%	28	3.5%

Bridges, Overpasses, and Viaducts: This is one of the facility types which respondents say they are least able to finance without outside assistance. Only about one in twenty of the respondents said that repair, rehabilitation or replacement of bridges, overpasses and viaducts can be financed from cities' own resources as a matter of course, and only a small number said that it's possible even with great difficulty. However, nearly one in five respondents said that up to half the cost needs to be borne by state or local governments, and over one in three reported that over half of these costs need to be borne by these other levels. The significant number of those who said this item is not included in the municipal budget suggests the degree to which other levels of government are involved in this key area and the extent to which these are relatively specialized structures, in sharp contrast with streets and roads.

Streets and Roads: This is another facility type for which respondents reported a need for substantial outside assistance. That such small numbers declined to answer, answered "not in budget," or answered "not sure" suggests that the maintenance of streets and roads is a central and basic function of local general purpose government. That such high percentages of the respondents reported that self-financing of this function is either very difficult or impossible should be troubling to policymakers at all levels.

Sidewalks and Curbs: In contrast to the other two facility types already discussed, respondents reported far greater ability by local government to finance the repair, rehabilitation or replacement of sidewalks and curbs. Once again, the small numbers of non-answers, "not in the budget" and "not sure" answers suggests that curbs and sidewalks are considered one of the most central concerns of local general purpose government.

Traffic Control Equipment: The responses for this facility type were similar to those for sidewalks and curbs.

PUBLIC TRANSPORATION

Two facility types fall into this category: public transportation rolling stock (buses, rail cars, etc.) and public transportation facilities (stations, track, maintenance sheds, etc.). As noted in the previous section, the response data with respect to both these facility types are of limited value because so many respondents said this facility is either "not in the municipal budget" or they were "not sure."

Table IV-6

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
p. Public Transportation Rolling Stock	22	2.7%	24	3.0%	41	5.1%	153	18.9%	396	48.9%	104	12.9%	69	8.5%
q. Public transportation Facilities	18	2.2%	22	2.7%	47	5.8%	137	16.9%	405	51.0%	109	13.5%	71	8.8%

Public Transportation Rolling Stock: Very few respondents said that self-financing of repair, rehabilitation or replacement was possible as a matter of course or said that self-financing is possible only with great difficulty. Another small group reported that aid for up to one-half the costs involved is needed from the other principal levels of government and a very large group of those whose cities had the item in their budget reported that over half the costs needed to be borne by state or federal aid sources.

Public Transportation Facilities: Response rates similar to those noted with regard to rolling stock are seen in this category.

PARKS, RECREATIONAL FACILITIES AND OPEN SPACES

This category has only one facility type. Those surveyed were fairly evenly divided among the four possible substantive responses.

Table IV-7

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
r. Parks, Recreational Facilities, Open Spaces	176	21.8%	204	25.2%	199	24.6%	139	18.3%	33	4.1%	14	1.7%	35	4.3%

DOCKS, WHARVES AND PORTS

Most of those responding said that these items do not appear in their municipal budgets.

Table IV-8

Ability to Bear Costs of Cities' Facilities

FACILITY TYPES	Own Finance Easy		Own Finance Difficult		Need Half Gov. Aid		Need More Than Half Gov. Aid		Not In Municipal Budget		Not Sure		No Response	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
s. Docks, Wharfs, Ports	20	2.4%	22	2.7%	24	3.0%	42	5.2%	467	57.7%	144	17.8%	90	11.1%

ABILITY TO FINANCE HIGH PRIORITY FACILITY TYPES BY REGION, POPULATION SIZE AND CITY TYPE

A later survey question asked respondents to choose facility types which would be priority projects for the city. (See Chapter V for details.) This section analyzes regional, population size, and city type differences in respondents' ability to finance improvements in the six facility types chosen most often as priorities. These priority facility types are:

- o streets and roads,
- o storm water collection,
- o wastewater treatment, including interceptors,
- o sewage collection,
- o public buildings, and
- o water distribution.

Streets and Roads

The ability to finance the costs of streets and roads appears unrelated to regional location.

Suburban respondents said most frequently that they were able to self-finance street and road work easily (17.1 percent) or with difficulty (26.5 percent), while central cities responded this way least often (10.2 percent and 16.0 percent, respectively). Central cities reported most frequently (44.4 percent of the time) that they require state or federal aid for more than half the cost of street and road projects. This contrasts with suburban respondents 33.7 percent of whom gave this response, and non-metropolitan respondents, of whom 21.0 percent gave this response.

Respondents from cities with 100,000 population or over most frequently report that they need state or federal aid for up to or more than half of the cost of street and road projects.

Storm Water Collection

Cities under 50,000, and especially those with 10,000 or less population, report most frequently that they require over half outside aid to finance storm water projects. The percent of respondents reporting the ability to finance these projects out of their own resources, but with difficulty, rises from 12.1 percent in cities of less than 10,000, to 47.6 percent in cities over 500,000.

City type appears unrelated to the ability to bear the costs of storm water collection systems, as does regional location.

Wastewater Treatment, Including Interceptors

Regional location seems largely unrelated to responses concerning the ability to finance repair, rehabilitation or replacement of wastewater treatment facilities, except that Western respondents said that over half federal aid would be necessary less frequently (30.9 percent) than respondents from the three other regions (around 45 percent).

Population size seems to have little to do with the ability to finance work on waste water treatment facilities.

Respondents from suburbs answered that over half state or federal aid would be needed only one half as often (23.0 percent) as those from central cities (46.9 percent) and only a little over one third as often as those from non-metro areas (61.8 percent). These striking differences may be related to the fact that 36.9 percent of the suburban respondents said this item was not in their budgets. This contrasts with central city respondents, of whom only 16.0 percent said this, and non-metro respondents, of whom only 5.7 percent reported this.

Sewage Collection

Respondents from the Northeast and the South said that they would be able to finance sewage collection facility costs out of their own resources as a matter of course less often (16.2 percent and 18.3 percent respectively) than did respondents from the Western (34.3 percent) and the North Central regions (27.6 percent). Respondents from the Northeast and South noted that they were in need of state or federal aid for more than half the sewage collection system cost twice as often (38.7 percent and 39.2 percent, respectively) as the Western respondents (17.7 percent) and slightly more often than respondents from the North Central region (29.6 percent).

The need for state and federal aid for more than half the costs of repairing, rehabilitating and replacing sewage collection systems appears unrelated to population size with the exception of the cities with populations less than 10,000. Respondents from this group reported that they need more than half state or federal aid 49.5 percent of the time, while the frequency of this response among other population groups varied only from 21.1 percent (for respondents from cities from 100,000 to 500,000) to 33.3 percent (for respondents from cities over 500,000).

City type appears generally unrelated to the ability to bear the costs of sewage collection facilities, with the exception of the need for state and federal funds for over half the costs. Non-metropolitan respondents said they needed over half outside aid 42.0 percent of the time, while only 33.0 percent of central city respondents said this, and 21.3 percent of suburban respondents said this.

Public Buildings

The ability to finance the costs of repairing, rehabilitating and replacing public buildings seems unrelated to regional distribution.

Respondents from cities of less than 10,000 population and cities of 25,000 to 50,000 report they need over half state or federal most often -- 22.2 percent and 16.8 percent, respectively. The frequency of this response from the other population categories varies only from 9.5 percent to 12.3 percent.

Water Distribution

Northeastern respondents least frequently said that they could finance water distribution projects from their own resources either easily or with difficulty. Similarly, Northeastern respondents most frequently said they needed up to or over half state or federal aid to finance such work.

Respondents from cities of under 10,000 reported about twice as frequently (19.2 percent) that they need more than half outside aid as respondents from any other size category.

Respondents from non-metropolitan cities reported they needed state or federal aid for up to and more than half the costs of water treatment projects about twice as frequently as those from central cities and suburbs.

V. CAPITAL EXPENDITURE PRIORITIES AND RELATED ISSUES

PRIORITIES

Those surveyed were asked to choose -- from among the facility types listed in Tables III-1 and IV-1 -- their first, second, and third priorities for capital expenditures in their communities.

By a wide margin, the single facility type most often chosen as the first priority was streets and roads, with 211 or 26.1 percent of respondents making this choice. Wastewater treatment facilities, including interceptor lines, was the facility type next most often chosen for first priority status: 134 or 16.6 percent of those surveyed did so. The next two facility types most often cited as a first priority were also water facilities: 93 or 11.5 percent of respondents chose stormwater collection and drainage as a first priority; 84 or 10.4 percent of those surveyed chose sewage collection. After these top four facility types, a very wide variety of other facilities was designated first priority a small percentage of the time.

Patterns of second and third priority choices were slight variations of the pattern established for first priority designation: in both the second and third priority designations, the streets and roads facility type was chosen most often with stormwater collection and drainage chosen second most often.

First, second, and third choice designations were also tabulated in combined form without weighting. Table V-1 displays the complete results, in descending order, of the frequencies with which each facility type was designated as either a first, second, or third priority. (The high "count" in this table and other such combination tables in this chapter reflect the method of this analysis. With 809 cities each designating three priorities each, the total of the "count" column could be 2427 top priority designations. The column does not add to that because the "Not Answered" and miscoded responses are not included.)

Table V-1

CAPITAL EXPENDITURE PRIORITY ITEMS, ACCUMULATED

ITEM	COUNT
Streets, Roads	518
Stormwater Collection	309
Wastewater Treatment	228
Sewage Collection	216
Public Buildings	197
Water Distribution	152
Parks, etc.	106
Solid Waste Dispoasl	104
Bridges, etc.	100
Other(1)	95
Water Treatment	84
Sidewalks, Curbs	73
Community Buildings	50
Water Storage	45
Traffic Control	40
Pub. School Bldgs.	32
Docks, etc.	16
Transp. Rolling Stock	14
Other(2)	14
Transp. Facilities	10
Public Hospitals	7

A number of points with respect to this combined priority listing are of interest.

- "Streets and roads" rank far higher in these priorities than the closely related categories of "bridges, overpasses, viaducts," "sidewalks and curbs," and "traffic control."

- "Public buildings" rank far higher than "community buildings," despite the fact that the condition of these two facility types were rated in similar patterns.

- Substantial numbers of respondents (95) listed one "other" facility type not included in the survey form, and a few (14) listed two "other" facility types. Unfortunately, it has not been possible to analyze those individual responses but the number of responses of this kind strongly suggests that the infrastructure repair, rehabilitation, and replacement needs of cities are more diverse than is suggested by the standard categories provided in the questionnaire.

- The "parks and recreational facilities, open space" facility type was listed as a priority more than might be predicted, given this type's usually good physical condition rating.

- The five facility types listed least often are generally those with the highest "not applicable" or "not in budget" response rates.

The choice of first, second, and third expenditure priority items is relatively uniform across regions, with streets and roads and stormwater collection and drainage being chosen first and second most often, respectively, by respondents in each region. However, as can be seen in Table V-2, public buildings are more commonly designated as a first, second, or third priority in the Northeast and West than in the North Central and South. In addition, water distribution is designated less often as a priority expenditure item by Western respondents than by those in other regions.

Table V-2

CAPITAL EXPENDITURE PRIORITY ITEMS, ACCUMULATED, BY REGION

Region: Northeast

Item	Count
Streets, Roads	66
Stormwater Collection	38
Public Buildings	34
Sewage Collection	31
Solid Waste Disposal	25
Water Distribution	22
Wastewater Treatment	19
Pub. School Bldgs.	19
Bridges, etc.	19
Other(1)	15
Sidewalks, Curbs	10
Water Treatment	9
Parks, etc.	8
Community Buildings	4
Water Storage	3
Traffic Control	3
Public Hospitals	2
Docks, etc.	2
Other(2)	2
Transp. Rolling Stock	1
Transp. Facilities	1

Region: North Central

Item	Count
Streets, Roads	165
Stormwater collection	109
Wastewater Treatment	67
Sewage Collection	61
Water Distribution	50
Public Buildings	46
Bridges, etc.	44
Sidewalks, Curbs	29
Other(1)	28
Solid Waste Disposal	27
Water Treatment	24
Parks, etc.	21
Community Buildings	13
Water Storage	10
Traffic Control	8
Transp. Rolling Stock	7
Other(2)	7
Docks, etc.	5
Pub. School Bldgs.	3
Transp. Facilities	1
Public Hospitals	0

Table V-2 (continued)

CAPITAL EXPENDITURE PRIORITY ITEMS, ACCUMULATED, BY REGION

Region: South

Item	Count
Streets, Roads	140
Stormwater Collection	103
Wastewater Treatment	100
Sewage Collection	88
Public Buildings	70
Water Distribution	46
Parks, etc.	38
Solid Waste Disposal	37
Other(1)	37
Water Treatment	35
Bridges, etc.	23
Water Storage	21
Sidewalks, Curbs	19
Community Buildings	16
Traffic Control	10
Pub. School Bldgs.	9
Docks, etc.	5
Public Hospitals	3
Transp. Facilities	3
Other(2)	3
Transp. Rolling Stock	2

Region: West

Item	Count
Street, Roads	143
Stormwater Collection	58
Public Buildings	46
Wastewater Treatment	42
Sewage Collection	35
Parks, etc.	35
Water Distribution	34
Traffic Control	19
Water Treatment	16
Sidewalks, Curbs	15
Community Buildings	14
Bridges, etc.	14
Other(1)	13
Solid Waste Disposal	12
Water Storage	11
Trans. Rolling Stock	4
Transp. Facilities	4
Docks, etc.	4
Other(2)	2
Pub. School Bldgs.	1
Public Hospitals	1

There is little variation among city types with respect to capital expenditure priorities. Streets and roads are designated as first, second or third priorities most often, and stormwater collection and drainage are mentioned next most often. However, at the lower levels of frequency, there is more variation. For example, solid waste disposal and resource recovery systems are designated as high priority capital expenditure items by central city and non-metropolitan respondents more often than by suburban respondents. On the other hand, water distribution is chosen more frequently as a priority item by suburban and non-metropolitan respondents than by central city respondents. Parks are much more frequently designated as priorities by tnose surveyed from suburbs than by those surveyed from central cities and non-metropolitan areas. Table V-3 presents these data for each of the three city types.

Responses vary more noticably with respect to the size of the respondent's city. For example, for cities over 500,000, wastewater treatment is the second most often designated item after streets and roads, while for all other city sizes, the second most often designated facility type is stormwater collection and drainage. Moreover, sewage collection is much less frequently designated a priority item by respondents from cities over 500,000 than by respondents from all other city size classes. The frequency with which each facility type was designated by respondents from each city size class is displayed in Table V-4.

Table V-3

CAPITAL EXPENDITURE PRIORITY ITEMS, ACCUMULATED, BY CITY TYPE

CITY TYPE: Central City

Item	Count
Streets, Roads	187
Stormwater Collection	97
Wastewater Treatment	93
Public Buildings	67
Bridges, etc.	53
Solid Waste Disposal	47
Other (1)	42
Water Treatment	38
Water Distribution	37
Parks, etc.	35
Sidewalks, Curbs	20
Water Storage	17
Pub. School Bldgs.	16
Community Buildings	13
Traffic Control	12
Transp. Rolling Stock	9
Docks, etc.	9
Other (2)	9
Transp. Facilities	6
Public Hospitals	5

City Type: Suburb

Item	Count
Streets, Roads	193
Stormwater Collection	126
Sewage Collection	85
Water Distribution	65
Wastewater Treatment	51
Parks, etc.	49
Sidewalks, Curbs	34
Bridges, etc.	28
Other (1)	28
Water Treatment	24
Solid Waste Disposal	23
Community Buildings	23
Traffic Control	21
Pub. School Bldgs.	11
Water Storage	9
Other (2)	4
Docks, etc.	3
Public Hospitals	1
Transp. Rolling Stock	1
Transp. Facilities	0

City Type: Non-Metro

Item	Count
Streets, Roads	128
Stormwater Collection	85
Wastewater Treatment	81
Sewage Collection	55
Public Buildings	50
Water Distribution	43
Solid Waste Disposal	32
Other(1)	23
Water Treatment	22
Parks, etc.	21
Water Storage	19
Bridges, etc.	18
Sidewalks, Curbs	18
Community Buildings	14
Traffic Control	7
Pub. School Bldgs.	5
Transp. Facilities	4
Docks, etc.	4
Transp. Rolling Stock	3
Public Hospitals	1
Other (2)	1

Table V-4

CAPITAL EXPENDITURE PRIORITY ITEMS, ACCUMULATED, BY CITY POPULATION SIZE

Less than 10,000

Item	Count
Streets, Roads	45
Stormwater Collection	41
Wastewater Treatment	35
Sewage Collection	33
Water Distribution	24
Public Buildings	20
Solid Waste Disposal	19
Parks, etc.	17
Water Treatment	11
Community Buildings	10
Sidewalks, Curbs	10
Other(1)	8
Water Storage	6
Bridges, etc.	6
Pub. School Bldgs.	3
Transp. Rolling Stock	3
Docks, etc.	3
Public Hospitals	1
Traffic Control	1
Transp. Facilities	0
Other (2)	0

10,000 to 25,000

Item	Count
Streets, Roads	110
Stormwater Collection	70
Wastewater Treatment	55
Sewage Collection	51
Public Buildings	43
Water Distribution	33
Other (1)	28
Parks, etc.	20
Sidewalks, Curbs	17
Bridges, etc.	16
Solid Waste Disposal	15
Water Storage	13
Community Buildings	11
Water Treatment	9
Traffic Control	8
Pub. School Bldgs.	7
Other (2)	3
Docks, etc.	2
Public Hospitals	1
Transp. Rolling Stock	0
Transp. Facilities	0

25,000 to 50,000

Item	Count
Streets, Roads	150
Stormwater Collection	102
Public Buildings	67
Sewage Collection	63
Wastewater Treatment	56
Water Distribution	36
Water Treatment	30
Bridges, etc.	29
Parks, etc.	29
Sidewalks, Curbs	27
Solid Waste Disposal	25
Other(1)	24
Traffic Control	14
Water Storage	12
Pub. School Bldgs.	10
Community Buildings	9
Docks, etc.	5
Transp. Facilities	4
Other(2)	3
Transp. Rolling Stock	1
Public Hospitals	0

100,000 to 500,000

Item	Count
Streets, Roads	79
Stormwater Collection	39
Wastewater Treatment	28
Sewage Collection	22
Public Buildings	21
Water Distribution	19
Bridges, etc.	19
Parks, etc.	17
Solid Waste Disposal	15
Water Treatment	12
Other(1)	12
Water Storage	8
Traffic Control	8
Community Buildings	5
Sidewalks, Curbs	5
Transp. Rolling Stock	5
Pub. School Bldgs.	3
Transp. Facilities	3
Other(2)	3
Public Hospitals	2
Docks, etc.	2

Over 500,000

Item	Count
Streets, Roads	16
Wastewater Treatment	7
Public Buildings	7
Solid Waste Disposal	6
Bridges, etc.	6
Water Treatment	4
Other(1)	4
Other(2)	3
Sewage Collection	2
Stormwater Collection	2
Transp. Rolling Stock	2
Transp. Facilities	2
Water Distribution	1
Parks, etc.	1
Water Storage	0
Community Buildings	0
Pub. School Bldgs.	0
Public Hospitals	0
Sidewalks, Curbs	0
Traffic Control	0
Docks, etc.	0

50,000 to 100,000

Item	Count
Streets, Roads	116
Stormwater Collection	55
Wastewater Treatment	46
Sewage Collection	44
Water Distribution	38
Public Buildings	38
Solid Waste Disposal	24
Bridges, etc.	24
Parks, etc.	21
Other (1)	19
Water Treatment	18
Community Buildings	14
Sidewalks, Curbs	13
Pub. School Bldgs.	9
Traffic Control	9
Water Storage	6
Docks, etc.	4
Public Hospitals	3
Transp. Rolling Stock	3
Other (2)	2
Transp. Facilities	1

COST ESTIMATES FOR PRIORITIES

Respondents were next asked to describe the cost ranges for their cities' first, second, and third priorities. The possible ranges were:

- o under $500,000,
- o $500,000 to $1 million,
- o $1 million to $5 million,
- o $5 million to $10 million,
- o $10 million to $20 million,
- o $20 million to 50 million, and
- o more than $50 million.

In reviewing the response data on this question, it is important to keep two vital points in mind. First, because this is range data, no accurate estimate can be made of the total cost of all the surveyed cities' priority projects. Indeed, any effort to develop a single "bottom line" total cost estimate would result in a range so broad as to be of no value. Hence, there is no effort here to undertake such an excercise, and the reader is strongly advised against doing so. Second, the data reported below simply represent various accumulations of the cost ranges estimated by one knowledgeable person in each of 809 responding city governments. There is no guarantee of the precise reliability of these estimates.

Despite these caveats, the data is valuable as a guide to approximate costs of those capital repair, rehabilitation, and replacement projects which the respondents believe to be the most important to their cities. Such data should be more directly useful to decision-makers than a perhaps more dramatic "total cost price tag.

For each of the three priorities, the cost range chosen most often by respondents was $1 million to $5 million.

For first priority projects, the $5 million to $10 million range was chosen next most frequently, while the $10 million to $20 million range was the range cited third most frequently.

For second priority projects, the $500,000 to $1 million range was cited second most frequently, and the $5 million to $10 million range was cited third most often.

For third priority projects, the $500,000 to $1 million range was the second most frequently cited, while the third most frequently mentioned range for such projects was under $500,000.

When the priority designations are accumulated together, with no weighting according to the priority levels, we see that by far the most commonly chosen cost range is $1 million to $5 million. The $500,000 to $1 million and $5 million to $10 million ranges trail substantially in that order. Table V-5 reports the number of times each range was indicated for either a first, second, or third priority project.

Table V-5

PRIORITY COST RANGES, ACCUMULATED

Cost Range	Count
Under $0.5M	291
$0.5M to $1.0M	380
$1.0M to $5.0M	728
$5.0M to $10.0M	78
$10.0M to $20.0M	268
$20.0M to $50.0M	180
$50.0M and Over	150

In general, the respondents in larger cities and those IN as central cities more often chose higher cost ranges for their cities' priority projects than did respondents from other city sizes and city types.

There was also a modest degree of regional variation in these responses. Specifically, respondents in the West report less often that their cities' priority projects will cost less than $500,000 than those from other regions, and they more often report that priority projects will cost $10 million to $20 million than those in other regions. Respondents in the South much more frequently choose the "under $500,000" category than respondents in other regions. Table V-6 reports the capital expenditure cost range response data by region.

Table V-6

PRIORITY COST RANGES, ACCUMULATED, BY REGION

Region: Northeast

Cost Range	Count
$1.0M to $5.0M	106
$5.0M to $10.0M	55
$0.5M to $1.0M	54
$10.0M to $20.0M	34
Under $0.5M	32
$20.0M to $50.0M	25
$50.0M and Over	21

Region: North Central

Cost Range	Count
$1.0M to $5.0M	321
$5.0M to $10.0M	118
$0.5M to $1.0M	111
$10.0M to $20.0M	84
Under $0.5M	83
$50.0M and Over	47
$20.0M to $50.0M	40

Region: South

Cost Range	Count
$1.0M to $5.0M	224
$0.5M to $1.0M	146
Under $0.5M	133
$5.0M to $10.0M	107
$10.0M to $20.0M	77
$20.0M to $50.0M	54
$50.0M and Over	52

Region: West

Cost Range	Count
$1.0M to $5.0M	158
$5.0M to $10.0M	95
$10.0M to $20.0M	71
$0.5M to $1.0M	67
$20.0M to $50.0M	60
Under $0.5M	41
$50.0M and Over	28

REASONS FOR CHOOSING PRIORITIES

For each of their three priorities, those surveyed were asked to indicate the primary reason that caused them to choose that particular priority. The possible reasons listed in the survey were as follows:

- o to retain existing private sector jobs,
- o to facilitate economic development,
- o to provide essential residential services,
- o to protect public health and safety,
- o to meet a state government requirement,
- o to meet a federal requirement, and
- o other.

Very consistently, all respondents cited the protection of public health and safety most often as the reason for naming a specific facility type as the first, second, or third priority. In addition, "providing essential residential services" is consistently the second most frequently cited reason for choosing first, second and third priorities. Moreover, "facilitating economic development" is consistently the third most frequently cited reason for choosing first, second, and third priorities.

Table V-7 presents all respondent data, accumulated without weighting for first, second, and third priority designation.

Table V-7

CAPITAL EXPENDITURE PRIORITY REASON

Reason	Count
Public Health	826
Residential Services	722
Economic Development	291
Other	122
Federal Requirement	89
State Requirement	59
Private Jobs	30

There is relatively little variation among regions with respect to reasons cited for choosing priorities. Public health, residential services, and economic development, respectively, are always the first, second and third most frequently cited reasons. Some regional variation shows up at the lower frequency levels. For instance, Southern respondents cite "federal requirements" more often then do those in other regions. Northeastern respondents cite this reason least often.

"Retaining existing private sector jobs" is cited least often in all regions except in the Northeast, where it is ranked next-to-last. One possible interpretation is that capital infrastructure projects are seen more often as means of attracting new industry than as methods for retaining existing industry. However, the survey instrument did not request any further information on this question, and the data collected do not support any firm conclusions to further explain this finding. Further research into this question could yield interesting insights into the economic development process in local government.

There is very little variation among city types with respect to reasons given for priority choices. Suburban respondents, however, cite the provision of "essential residential services" more often than "protection of public health and safety" as the reason for choosing priorities.

START-UP TIMES

The survey elicited more information about the nature of high priority repair, rehabilitation, and replacement projects by asking respondents how quickly work on first, second, and third priority projects could begin, with the options as follows:

- o under three months,
- o four months to six months,
- o seven months to one year,
- o more than one year, and
- o not sure.

The term "begin work" was not defined and it is open to a number of different interpretations. For example, some of those surveyed may have meant the beginning of a project's working drawings while others may have meant ground breaking.

The largest group of respondents, 306 or 37.8 percent, said their cities' first priority projects could start in under 3 months; 272 or 33.6 percent said their first priority projects could start in 4 to 6 months; 160 or 19.8 percent said they could start in 7 months to 1 year; and 43 or 5.3 percent said they could start in over one year (20 or 2.5 percent did not answer, 1 or .1 percent was "miscoded," and 7 or .9 percent were not sure).

The pattern changes somewhat when second priority projects are examined: here a larger group, 293 or 36.2 percent, said it would take 4 to 6 months to start; 245 (30.3 percent) said it would take under 3 months; 190 (23.5 percent) said it would take 7 months to one year; and 51 (6.3 percent) said it would take over one year to start second priority projects. (20 or 2.5 percent did not answer and 10 or 1.2 percent were not sure.) There was a similar pattern with respect to start times for third priority items.

These response patterns could be interpreted to support the contention that cities maintain a "shelf" or "stock" of high priority projects which can be started swiftly, once sufficient revenue streams are made available. However, it should be noted that the same data also could support a "flow" rather than a "stock" image of the local process with regard to such projects: that is, a survey of this kind is akin to taking a "snapshot" which "freezes" a flow of projects which would be accomplished (because they are high priorities) whether or not new revenue streams are made available. This data does not provide a basis for choosing between the "flow" and the "stock" interpretations.

Table V-8 summarizes these data, accumulated for first, second, and third priorities without weighting.

Table V-8

PRIORITY START TIMES, ACCUMULATED

START TIME	COUNT
under 3 months	799
4 to 6 months	833
7 to 12 months	549
over 1 year	152
not sure	30

When the accumulated start-time responses are analyzed by region, only Southern respondents say most often that their priority projects can start in under three months. Respondents in all other regions follow the general pattern manifested in Table V-8. It may be that mild year-round weather conditions in the South encourage the perception by respondents that high priority projects can be started somewhat more rapidly.

There is also little variation among population classes with respect to start-times. However, respondents in cities between 50,000 and 100,000 said somewhat more often that their priority projects can start in under 3 months than that their priority projects can start in 4 to 6 months. The respones in all other size classes conform quite consistently to the general pattern.

Among city types, central cities break the general pattern: here, slightly more respondents say their high priority projects can be started in under 3 months, whereas suburban and non-metropolitan respondents conform to the general pattern.

HOW PRIORITY CAPITAL PROJECTS ARE CARRIED OUT

Cities also were asked how repair, rehabilitation and replacement projects in the cities are carried out. The first question asked whether city employees, contracting out, or some combination of the two would be used to carry out the first, second and third priority projects. The answer is that city employees alone would rarely be used for any of the top priority projects, according to respondents. Only 10 (1.2 percent) respondents said city employees would be responsible for the first priority projects, while 557 (68.9 percent) said the work would be done through contracting out and 228 (28.2 percent) said some combination of city employees and contracting out would be used. The patterns for the second and third priorities were similar to those seen for the first priority. When the data are accumulated without weightings for first, second and third priorities, a pattern summarized in Table V-9 emerges.

Table V-9

CAPITAL EXPENDITURE PRIORITY JOB SECTORS

JOB SECTOR	COUNT
Contract Out	1576
Combination	750
City Employees	52

Responses to this question did not vary notably among regions, population size groups, or city types.

One caution is in order with respect to this survey item: the data cannot explain what meaning respondents attach to the term "combination" of city employees and contracting out. In some cities, this combination may be heavily tilted toward city employees; in other cities it may be heavily tilted toward contracting out; while in still others the work may be divided quite equally between the two.

Cities were asked why they chose either to contract out priority infrastructure work, use city employees, or use some combination of the two. A majority of respondents, 578 (71.4 percent), stated that it is a matter of city choice, 53 (6.6 percent) said it is due to a legal requirement, and 160 (19.8 percent) said it is due to a combination of both factors. (Ten or 1.2 percent did not answer, and 8 or 1.0 percent were not sure.) Again, no notable variations by region, population size, or city-type were observed.

A P P E N D I X

ASSESSMENT OF CAPITAL BUDGETING AND INFRASTRUCTURE IN AMERICAN CITIES

A Joint Survey Conducted By The

United States Conference of Mayors and the National League of Cities

Washington, D.C.
April 1983

The purpose of this questionnaire is to allow broad local input to the legislative process as the U.S. Congress considers infrastructure programs and priorities in the 98th Congress.

Of 1400 cities to which questionnaires were sent, 809 cities responded to this survey by March 1, 1983. This document presents the simple frequency of answers to each question, in absolute numbers and as a percent of the total responses.

PLANNING AND BUDGETING FOR CAPITAL EXPENDITURES

CAPITAL BUDGETING is a multi-year process for determining what projects your city needs to build or repair, when the work should be done, and the best approach to financing the construction.

1. Does your city have a capital budgeting process as described above? (Please circle your answer)

YES	NO	NOT SURE	NO ANSWER
605/74.8%	186/23.0%	4/0.5%	14/1.7%

1a. [IF "NO"] Does your city have a process for planning its capital expenditures? (Please circle your answer)

YES	NO	NOT SURE	NO ANSWER
152/18.8%	40/4.9%	3/0.4%	614/75.9%

REGARDLESS OF YOUR ANSWERS IN THE ABOVE QUESTIONS, PLEASE ANSWER THE REMAINING QUESTIONS IN THIS SECTION TO THE EXTENT POSSIBLE.

Capital Budgeting: Whose Responsibility?

2. Who has final approval of the capital budget?

	Final Approval of Budget?			
	YES	NO	NOT SURE	NOT ANSWERED
MAYOR	159/19.7%	650/80.3%	---	---
CITY COUNCIL	724/89.5%	85/10.5%	---	---
CITY MANAGER	15/1.9%	794/98.1%	---	---
COMMISSION	55/6.8%	754/93.2%	---	---
OTHER (Please specify)_____	22/2.7%	787/97.3%	---	---

3. Please indicate which of these techniques you use to gather public comment on your capital budgeting plans.

	Which techniques used?			
	USED	NOT USED	NOT SURE	NOT ANSWERED
PUBLIC HEARINGS	676/83.6%	121/15.0%	5/0.6%	7/0.9%
PUBLIC NOTICE & COMMENT	472/58.3%	320/39.6%	9/1.1%	8/1.0%
GENERAL PURPOSE ADVISORY GROUP	241/29.8%	550/68.0%	9/1.1%	9/1/1%
SPECIAL PURPOSE ADVISORY COMMITTEES (WITH DIFFERENT AFFECTED SECTORS, SUCH AS TRANSIT, WATER, ETC.)	273/33.7%	520/64.3%	8/1.0%	8/1.0%
OTHER (please specify) _____	108/13.4%	---	---	701/86.7%

Capital Budgeting: What Does It Cover?

4. Does the capital budgeting process cover the activities of all city departments? (Please circle your answer)

YES	NO	NOT SURE	NOT ANSWERED
714/88.3%	84/10.4%	4/0.5%	7/0.9%

5. What period of time does your capital budget cover? (Please circle your answer)

ONLY ONE YEAR	271/33.5%	MISCODED	1/0.1%
TWO YEARS	25/3.1%	NOT ANSWERED	19/2.3%
THREE YEARS	53/6.6%		
FOUR YEARS	18/2.2%		
FIVE YEARS AND OVER	422/52.2%		

6. To what extent are the creation and retention of private sector jobs and the city's overall economic goals taken into consideration in the formulation of your capital budget? (Please circle your answer)

VERY IMPORTANT CONSIDERATION	154/19.0%
IMPORTANT CONSIDERATION	338/41.8%
UNIMPORTANT CONSIDERATION	219/27.1%
VERY UNIMPORTANT CONSIDERATION	42/5.2%
NOT SURE	47/5.8%
NOT ANSWERED	9/1.1%

7. In formulating your capital budget do you differentiate or attempt to differentiate between projects necessary to provide public services to residents and projects necessary for retention of private sector jobs and economic development in the city? (Please circle your answer)

YES	NO	NOT SURE	NOT ANSWERED
284/35.1%	477/59.0%	34/4.2%	14/1.7%

Capital Budget Expenditures

8a. From the program categories listed below, please indicate the activities that you include in your capital budget.

Program Categories	In Capital Budget? INCLUDED	NOT INCLUDED	NOT SURE	NOT ANSWERED
Preventive Maintenance	351/43.4%	432/53.4%	20/2.5%	6/0.7%
Major Maintenance	621/76.8%	170/21.0%	12/1.5%	6/0.7%
Rehabilitation/Reconstruction	744/92.0%	52/6.4%	7/0.9%	6/0.7%
Expansion/New Construction	766/94.7%	33/4.1%	4/0.5%	6/0.7%

8b. From the various sources of funding listed across the table below, please indicate which source provides the most money for each of the program activities mentioned in Q.8a., whether or not the activities are in your capital budget. (Please mark an "X" to indicate the source that provides the most money.)

Program Activity	Sources of Funding: General Obligation Bonds	Revenue Bonds	Local Taxes	Tax Increment Financing	Sale Lease-back	User Fees	Federal Funds	State Funds	Other	Not Answered	Miscoded
PREVENTIVE MAINTENANCE.....	21/ 2.6%	3/	472/58.3%	4/0.5%	0/0.0%	56/6.9%	11/ 1.4%	33/4.1%	8/1.0%	86/10.6%	115/14.2%
MAJOR MAINTENANCE	79/ 9.8%	18/2.2%	331/40.9%	4/0.5%	1/0.1%	61/7.5%	50/6.2%	46/5.7%	12/1.5%	54/ 6.7%	153/18.9%
REHABILITATION/ RECONSTRUCTION..	135/16.7%	37/4.6%	125/15.5%	6/0.7%	0/0.0%	41/5.1%	190/23.5%	40/4.9%	10/1.2%	40/ 4.9%	185/22.9%
EXPANSION/NEW CONSTRUCTION....	222/27.4%	65/8.0%	46/ 5.7%	10/1.2%	0/0.0%	18/2.2%	171/21.1%	19/2.3%	12/1.5%	29/ 3.6%	217/26.8%

9. To what extent do state restrictions on general obligation debt adversely affect your capital budget efforts? (Please circle your answer)

VERY MUCH	126/15.6%
SOMEWHAT	262/32.4%
NOT AT ALL	364/45.0%
NOT SURE	52/6.4%
NOT ANSWERED	5/0.6%

10. As a rule, what is the minimum projected useful life for a project financed through the issuance of debt in your city? (Please circle your answer)

LESS THAN 5 YEARS	21/2.6%
5 TO 10 YEARS	120/14.8%
11 TO 20 YEARS	283/35.0%
MORE THAN 20 YEARS	348/43.0%
NOT ANSWERED	37/4.6%

Overall Effectiveness of Your Capital Budgeting Process

11. All processes like capital budgeting can benefit from improvements. Which level(s) of government do you believe ought to finance programs to help improve capital budgeting in cities?

	Should Finance Budget Process Improvements			
	SHOULD	SHOULD NOT	NOT SURE	NOT ANSWERED
FEDERAL GOVERNMENT	421/52.0%	323/39.9%	51/6.3%	14/1.7%
STATE GOVERNMENT	531/65.6%	216/26.7%	48/5.9%	14/1.7%
LOCAL GOVERNMENT	686/84.8%	88/10.9%	21/2.6%	14/1.7%
OTHER (Please specify):_____	69/8.5%	1/0.1%	2/0.2%	737/91.1%

12. If assistance were made available to improve local capital budgeting, what area(s) would you choose to improve in your budgeting process?

AREAS	Improve Budgeting Process or Not? CHOOSE	NOT CHOOSE	NOT SURE	NOT ANSWERED
NEEDS ANALYSIS	508/62.8%	236/29.2%	46/5.7%	19/2.3%
DEVELOPMENT OF PRIORITIES	465/57.5%	279/34.5%	45/5.6%	20/2.5%
ANALYSIS OF FINANCING OPTIONS	546/67.5%	204/25.2%	40/4.9%	19/2.3%
OTHER (Please specify)_____	38/4.7%	5/0.6%	1/0.1%	765/94.6%

13. For each of the areas listed below, please rank the effectiveness of your capital budgeting process on the scale.

	LEVEL OF EFFECTIVENESS VERY EFFECTIVE	EFFECTIVE	INEFFECTIVE	VERY INEFFECTIVE	NOT APPLICABLE	NOT ANSWERED
a. Effectiveness in establishing project priorities	159/19.7%	514/63.5%	93/11.5%	13/1.6%	17/2.1%	13/1.6%
b. Effectiveness in distinguishing between major repairs & routine maintenance	226/27.9%	449/55.5%	73/9.0%	6/0.7%	41/5.1%	14/1.7%
c. Effectiveness in distinguishing between maintenance/repair & new construction/expansion needs	243/30.0%	470/58.1%	51/6.3%	6/0.7%	27/3.3%	12/1.5%
d. Effectiveness in insulating project & priority selection from local "pork barrel" politics	152/18.8%	403/49.8%	147/18.2%	28/3.5%	61/7.5%	18/2.2%
e. Effectiveness in measuring quality of public facilities through periodic inventory of their condition	85/10.5%	401/49.6%	239/29.5%	32/4.0%	36/4.5%	16/2.0%
f. Effectiveness in minimizing political pressures	94/11.6%	445/55.0%	183/22.6%	28/3.5%	41/5.1%	18/2.2%
g. Effectiveness in allocating resources to economic development needs	89/11.0%	437/54.0%	181/22.4%	23/2.8%	62/7.7%	17/2.1%

CURRENT CAPITAL NEEDS AND PRIORITIES

1. Using the scale listed below, please rate the physical condition of the following kinds of facilities in your city. Please consider only the facilities for which the city has primary responsibility for maintenance, repair and replacement. For each facility, please circle the number corresponding to the category that comes closest to your answer.

Physical Condition of City's Facilities

	IN GOOD CONDITION	NEEDS MAJOR REPAIR	NEEDS MAJOR REHABILITATION	NEEDS REPLACEMENT	NOT SURE	DOES NOT APPLY TO THIS CITY	NOT ANSWERED
a. Sewage collection.....	293/36.2%	134/16.6%	229/28.3%	40/ 4.9%	6/0.7%	74/ 9.1%	33/4.1%
b. Wastewater treatment (including interceptors)....	301/37.2%	80/ 9.9%	141/17.4%	60/ 7.4%	2/0.2%	187/23.1%	38/4.7%
c. Storm water collection and drainage.....	193/23.9%	197/24.4%	258/31.9%	90/11.1%	15/1.9%	35/ 4.3%	21/2.6%
d. Water treatment.....	409/50.6%	41/ 5.1%	54/ 6.7%	34/ 4.2%	11/1.4%	214/26.5%	46/5.7%
e. Water distribution.....	375/46.4%	109/13.5%	113/14.0%	31/ 3.8%	9/1.1%	135/16.7%	37/4.6%
f. Water storage.....	443/54.8%	61/ 7.5%	65/ 8.0%	26/ 3.2%	12/1.5%	163/20.1%	39/4.8%
g. Solid waste disposal facilities and resource recovery facilities.....	220/27.2%	41/ 5.1%	50/ 6.2%	106/13.1%	15/1.9%	330/40.8%	47/5.8%
h. Public buildings (fire, police, municipal garages, city hall, jails, etc.)..	440/54.4%	131/16.2%	98/12.1%	118/14.6%	7/0.9%	1/ 0.1%	14/1.7%
i. Community social service facilities (senior citizen centers, libraries, municipal cultural centers)..	476/58.8%	84/10.4%	53/ 6.6%	57/ 7.0%	14/1.7%	101/12.5%	24/3.0%

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Physical Condition of City's Facilities

	IN GOOD CONDITION	NEEDS MAJOR REPAIR	NEEDS MAJOR REHABILI-TATION	NEEDS REPLACE-MENT	NOT SURE	DOES NOT APPLY TO THIS CITY	NOT ANSWERED
j. Public school buildings.....	171/21.1%	58/ 7.2%	27/ 3.3%	13/ 1.6%	16/2.0%	460/56.9%	64/ 7.9%
k. Public hospitals & clinics..	53/ 6.6%	5/ 0.6%	4/ 0.5%	7/ 0.9%	7/0.9%	251/31.0%	478/59.1%
l. Bridges, overpasses, viaducts.....	204/25.2%	154/19.0%	108/13.4%	101/12.5%	9/1.1%	191/23.6%	42/ 5.2%
m. Streets and roads.....	209/25.8%	313/38.7%	209/25.8%	48/ 5.9%	5/0.6%	5/ 0.6%	20/ 2.5%
n. Sidewalks and curbs.....	205/25.3%	311/38.4%	184/22.7%	71/ 8.8%	5/0.6%	11/ 1.4%	22/ 2.7%
o. Traffic control equipment (lights, etc.).....	407/50.3%	134/16.6%	91/11.2%	91/11.2%	5/0.6%	54/ 6.7%	27/ 3.3%
p. Public transportation rolling stock.....	163/20.1%	21/ 2.6%	11/ 1.4%	48/ 5.9%	8/1.0%	510/63.0%	48/ 5.9%
q. Public transportation facilities.....	140/17.3%	22/ 2.7%	23/ 2.8%	37/ 4.6%	10/1.2%	520/64.3%	57/ 7.0%
r. Parks & recreational facili-ties, open space.....	451/55.7%	149/18.4%	113/14.0%	22/ 2.7%	7/0.9%	40/ 4.9%	27/ 3.3%
s. Docks, wharfs, ports.....	41/ 5.1%	24/ 3.0%	25/ 3.1%	21/ 2.6%	8/1.0%	630/77.9%	60/ 7.4%
t. Other (please specify): _____	15/ 1.9%	6/ 0.7%	10/ 1.2%	24/ 3.0%	2/0.2%	3/ 0.4%	749/92.6%

2. Cities have varying degrees of difficulty in financing the repair, rehabilitation or replacement of different municipal facilities. For each of the facilities listed below, please indicate the statement that best describes your city's ability to bear the cost for the facilities for which the city has primary responsibility for maintenance, repair and replacement. For each facility, please circle the number corresponding to the statement that comes closest to your answer.

	POSSIBLE TO FINANCE OUT OF OWN RESOURCES AS A MATTER OF COURSE	POSSIBLE TO FINANCE OUT OF OWN RESOURCES BUT ONLY WITH GREAT DIFFICULTY	NEED STATE OR FEDERAL AID FOR UP TO HALF THE COST	NEED STATE OR FEDERAL AID FOR MORE THAN HALF THE COST	NOT IN MUNICIPAL BUDGET	NOT SURE	NOT ANSWERED
a. Sewage collection...	195/24.1%	139/17.2%	102/12.6%	255/31.5%	78/ 9.6%	13/ 1.6%	27/ 3.3%
b. Wastewater treatment (including interceptors).....	77/ 9.5%	58/ 7.2%	99/12.2%	342/42.3%	168/20.8%	33/ 4.1%	32/ 4.0%
c. Storm water collection & drainage....	131/16.2%	207/25.6%	154/19.0%	237/29.3%	40/ 4.9%	9/ 1.1%	31/ 3.8%
d. Water treatment.....	248/30.7%	132/16.3%	63/ 7.8%	89/11.0%	183/22.6%	45/ 5.6%	49/ 6.1%
e. Water distribution..	293/36.2%	175/21.6%	69/ 8.5%	75/ 9.3%	122/15.1%	35/ 4.3%	40/ 4.9%
f. Water storage.....	275/34.0%	157/19.4%	72/ 8.9%	75/ 9.3%	140/17.3%	43/ 5.3%	47/ 5.8%
g. Solid waste disposal facilities & resource recovery facilities.....	146/18.0%	123/15.2%	65/ 8.0%	128/15.8%	236/29.2%	71/ 8.8%	40/ 4.9%
h. Public bldgs. (fire, police, municipal garages, city hall, jails, etc.).....	218/26.9%	331/40.9%	106/13.1%	116/14.3%	9/ 1.1%	6/ 0.7%	23/ 2.8%

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	POSSIBLE TO FINANCE OUT OF OWN RESOURCES AS A MATTER OF COURSE	POSSIBLE TO FINANCE OUT OF OWN RESOURCES BUT ONLY WITH GREAT DIFFICULTY	NEED STATE OR FEDERAL AID FOR UP TO HALF THE COST	NEED STATE OR FEDERAL AID FOR MORE THAN HALF THE COST	NOT IN MUNICIPAL BUDGET	NOT SURE	NOT ANSWERED
i. Community social service facilities (senior citizen centers, libraries, municipal cultural centers).....	170/21.0%	220/27.2%	136/16.8%	110/13.6%	105/13.0%	34/ 4.2%	34/ 4.2%
j. Public school buildings.....	54/ 6.7%	57/ 7.0%	45/ 5.6%	43/ 5.3%	435/53.8%	95/11.7%	80/ 9.9%
k. Public hospitals and clinics.....	28/ 3.5%	24/ 3.0%	29/ 3.6%	30/ 3.7%	492/60.8%	116/14.3%	90/11.1%
l. Bridges, overpasses, viaducts.	47/ 5.8%	65/ 8.0%	152/18.8%	288/35.6%	154/19.0%	53/ 6.6%	50/ 6.2%
m. Streets and roads.	107/13.2%	176/21.8%	253/31.3%	248/30.7%	5/ 0.6%	2/ 0.2%	18/ 2.2%
n. Sidewalks & curbs.	200/24.7%	312/38.6%	126/15.6%	128/15.8%	19/ 2.3%	3/ 0.4%	21/ 2.6%
o. Traffic control equipment (lights, etc.)...	221/27.3%	186/23.0%	186/23.0%	126/15.6%	50/ 6.2%	12/ 1.5%	28/ 3.5%

(continued on next page)

	POSSIBLE TO FINANCE OUT OF OWN RESOURCES AS A MATTER OF COURSE	POSSIBLE TO FINANCE OUT OF OWN RESOURCES BUT ONLY WITH GREAT DIFFICULTY	NEED STATE OR FEDERAL AID FOR UP TO HALF THE COST	NEED STATE OR FEDERAL AID FOR MORE THAN HALF THE COST	NOT IN MUNICIPAL BUDGET	NOT SURE	NOT ANSWERED
p. Public transportation rolling stock.....	22/ 2.7%	24/ 3.0%	41/ 5.1%	153/18.9%	396/48.9%	104/12.9%	69/ 8.5%
q. Public transportation facilities...	18/ 2.2%	22/ 2.7%	47/ 5.8%	137/16.9%	405/50.1%	109/13.5%	71/ 8.8%
r. Parks & recreational facilities, open space..	176/21.8%	204/25.2%	199/24.6%	148/18.3%	33/ 4.1%	14/ 1.7%	35/ 4.3%
s. Docks, wharfs, ports.....	20/ 2.5%	22/ 2.7%	24/ 3.0%	42/ 5.2%	467/57.7%	144/17.8%	90/11.1%
t. Other (please specify): _____....	6/ 0.7%	14/ 1.7%	7/ 0.9%	21/ 2.6%	5/ 0.6%	2/ 0.2%	754/93.2%

3. From the activities listed below, please choose the THREE that are the HIGHEST PRIORITIES for Capital expenditures in your community. Place the number associated with your choices in the space provided.

Municipal Activities	FIRST PRIORITY		SECOND PRIORITY		THIRD PRIORITY	
	#	%	#	%	#	%
1. Sewage collection	84	10.4%	77	9.5%	55	6.8%
2. Wastewater treatment (including interceptors)	134	16.6%	66	8.2%	28	3.5%
3. Storm water collection and drainage	93	11.5%	105	13.0%	111	13.7%
4. Water treatment	39	4.8%	31	3.8%	14	1.7%
5. Water distribution	46	5.7%	51	6.3%	55	6.8%
6. Water storage	12	1.5%	20	2.5%	13	1.6%
7. Solid waste disposal facilities & resource recovery facilities	29	3.6%	38	4.7%	37	4.6%
8. Public buildings (fire, police, municipal garages, city hall, jails, etc.)	42	5.2%	73	9.0%	82	10.1%
9. Community social service facilities (senior citizen centers, libraries, municipal cultural centers)	4	0.5%	15	1.9%	31	3.8%
10. Public school buildings	10	1.2%	13	1.6%	9	1.1%
11. Public hospitals & clinics	1	0.1%	3	0.4%	3	0.4%
12. Bridges, overpasses, viaducts	31	3.8%	41	5.1%	28	3.5%
13. Streets and roads	211	26.1%	154	19.0%	153	18.9%
14. Sidewalks and curbs	2	0.2%	29	3.6%	42	5.2%
15. Traffic control equipment (lights, etc.)	6	0.7%	9	1.1%	25	3.1%
16. Public transportation rolling stock	3	0.4%	5	0.6%	6	0.7%
17. Public transportation facilities	2	0.2%	4	0.5%	4	0.5%
18. Parks & recreational facilities, open space	9	1.1%	32	4.0%	65	8.0%
19. Docks, wharfs, ports	2	0.2%	6	0.7%	8	1.0%
Other (please specify)						
20. Other 1 _____	45	5.6%	27	3.3%	23	2.8%
21. Other 2 _____	---	---	5	0.6%	9	1.1%
22. Not Answered	4	0.5%	5	0.6%	8	1.0%

3a. For each of the three highest priorities you chose in the previous question, please mark an "X" beside the appropriate range for the estimated capital cost of the repairs/construction you plan.

Cost Range	YOUR FIRST PRIORITY	YOUR SECOND PRIORITY	YOUR THIRD PRIORITY
Under $500,000	71/8.8%	96/11.9%	124/15.3%
$500,000 to $1 Million	90/11.1%	132/16.3%	158/19.5%
$1 Million to $5 Million	226/27.9%	258/31.9%	244/30.2%
$5 Million to $10 Million	150/18.5%	126/15.6%	102/12.6%
$10 Million to $20 Million	112/13.8%	86/10.6%	70/8.7%
$20 Million to $50 Million	81/10.0%	51/6.3%	48/5.9%
More than $50 Million	64/7.9%	43/5.3%	43/5.3%
Not Answered	15/1.9%	17/2.1%	20/2.5%

3b. For each of the three priorities, please mark an "X" opposite the PRIMARY REASON that caused you to choose these particular priorities.

Reasons for choosing this priority	YOUR FIRST PRIORITY (1)	YOUR SECOND PRIORITY (2)	YOUR THIRD PRIORITY (3)
1 Needed to retain existing private sector jobs	15/1.9%	9/1.1%	6/0.7%
2 Needed to facilitate economic development	100/12.4%	100/12.4%	91/11.2%
3 Provide essential residential services	216/26.7%	233/28.8%	273/33.7%
4 Protect public health & safety	265/32.8%	286/35.4%	275/34.0%
5 Required by state government	26/3.2%	18/2.2%	15/1.9%
6 Required by federal government	49/6.1%	26/3.2%	14/1.7%
7 Other (Please specify) _____	31/3.8%	44/5.4%	47/5.8%
8. Miscoded	99/12.2%	82/10.1%	72/8.9%
9. Not Answered	8/1.0%	11/1.4%	16/2.0%

4. Approximately, how quickly could you begin work on these priorities if sufficient additional funds could be made available? (Please mark any "x" next to the appropriate time frame)

	1st PRIORITY	2nd PRIORITY	3rd PRIORITY
UNDER 3 MONTHS	306/37.8%	245/30.3%	248/30.7%
4 MONTHS TO 6 MONTHS	272/33.6%	293/36.2%	268/33.1%
7 MONTHS TO 1 YEAR	160/19.8%	190/23.5%	199/24.6%
MORE THAN 1 YEAR	43/5.3%	51/6.3%	58/7.2%
NOT SURE	7/0.9%	10/1.2%	13/1.6%
MISCODED	1/0.1%	---	---
NOT ANSWERED	20/2.5%	20/2.5%	23/2.8%

5. Would you use city employees, contract out the work, or a combination of city employees and contracting out in order to accomplish each of your priority goals? (Please mark a single "X" in each column)

	FIRST PRIORITY	SECOND PRIORITY	THIRD PRIORITY
City employees	10/1.2%	17/2.1%	25/3.1%
Contract out	557/68.9%	530/65.5%	489/60.4%
Combination	228/28.2%	246/30.4%	276/34.1%
Not Answered	14/1.7%	16/2.0%	19/2.3%

6. If you contract out some or all of the work, is this because of choice at the city level, or because of legal requirements? (Please circle your answer)

CITY CHOICE	578/71.4%
LEGAL REQUIREMENT	53/6.6%
BOTH	160/19.8%
NOT SURE	8/1.0%
NOT ANSWERED	10/1.2%

DEMOGRAPHIC AND RELATED QUESTIONS

Please complete the following final questions in order to allow comparison among cities.

1. What is the population of your city?

LESS THAN 10,000	99/12.2%
10,001-24,999	171/21.1%
25,000-49,999	232/28.7%
50,000-99,999	171/21.1%
100,000-499,999	109/13.5%
OVER 500,000	21/2.6%
NOT ANSWERED	6/0.7%

2. How would you describe the location of your city? Is it a central city, a suburb of a larger metropolitan area, or is it non-metropolitan? (Please circle your answer)

CENTRAL CITY	294/36.3%
SUBURB	287/35.5%
NON-METROPOLITAN	212/26.2%
NOT SURE	9/1.1%
NOT ANSWERED	7/0.9%

3. Who completed this questionnaire? (Please circle your answer)

MAYOR	133/16.4%
COUNCIL MEMBER	1/0.1%
CITY COMMISSIONER	4/0.5%
MEMBER OF MAYOR'S PERSONAL STAFF	35/4.3%
APPOINTED CITY GOVERNMENT OFFICIAL	357/44.1%
OTHER ELECTED OFFICIAL (PLEASE SPECIFY)	12/1.5%
OTHER MUNICIPAL OFFICIAL (PLEASE SPECIFY)	202/25.0%
OTHER (PLEASE SPECIFY)	55/6.8%
NOT ANSWERED	10/1.2%

4. What is the form of your city government? (Please circle your answer)

MAYOR/COUNCIL	333/41.2%
CITY MANAGER/COUNCIL	433/53.5%
CITY COMMISSION	33/4.1%
NOT ANSWERED	10/1.2%